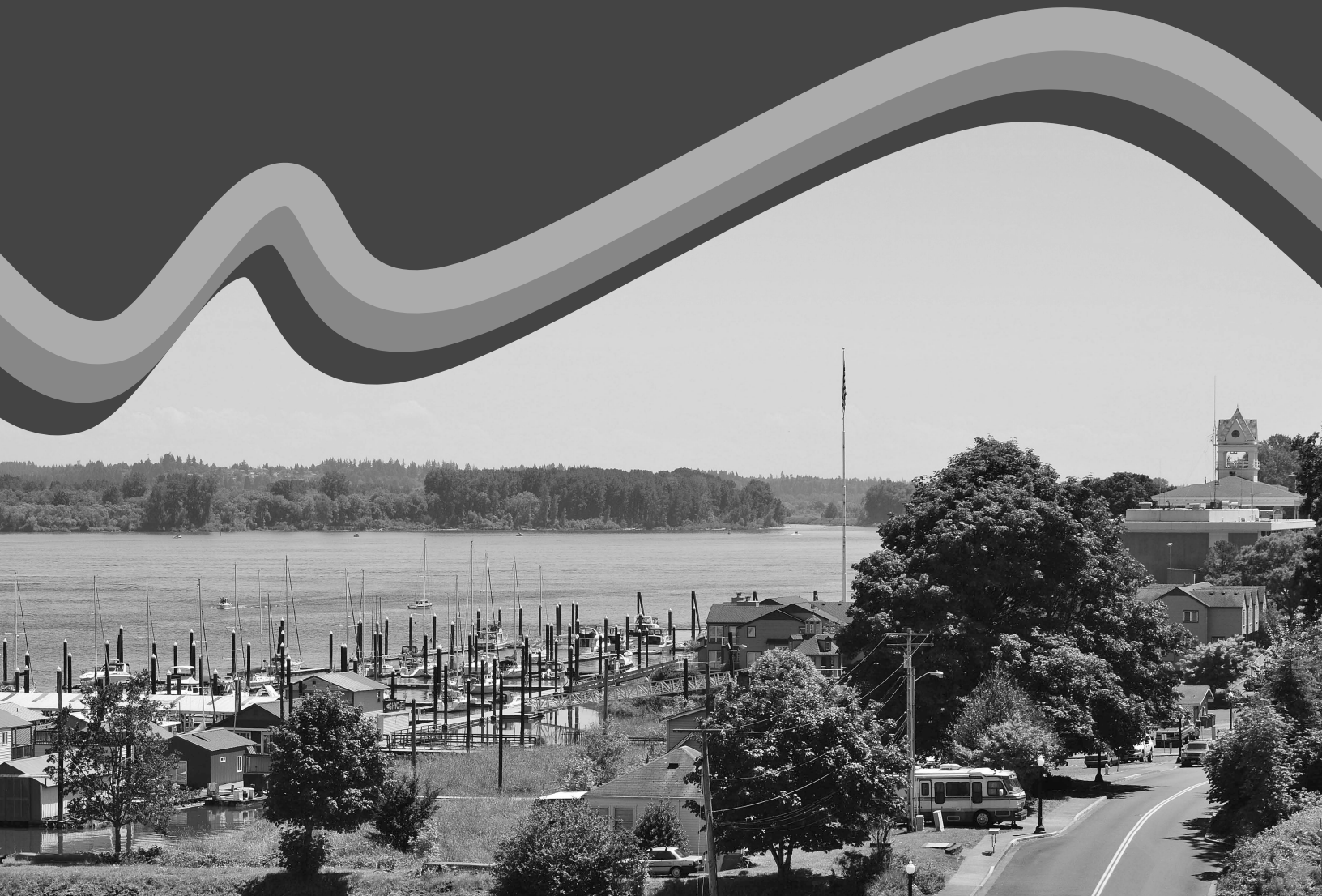




**City of St. Helens
Columbia County, Oregon**

FINANCIAL REPORT For the Year Ended June 30, 2015



**CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON**

MAYOR AND CITY COUNCIL MEMBERS AS OF JUNE 30, 2015

<u>NAME</u>	<u>TERM EXPIRES</u>
Randy Peterson – Mayor	December 31, 2016
Douglas Morten	December 31, 2018
Keith Locke	December 31, 2016
Susan Conn	December 31, 2018
Ginny Carlson	December 31, 2016

CITY STAFF

John Walsh, Administrator
Terry Moss, Police Chief
Sue Nelson, Public Works Engineering Director
Neal Sheppard – Public Works Operations Director
Margaret Jeffries, Library Director
Jon Ellis, Finance Director

MAILING ADDRESS

City of St. Helens
P.O. Box 278
St. Helens, OR 97051

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CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON

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CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON

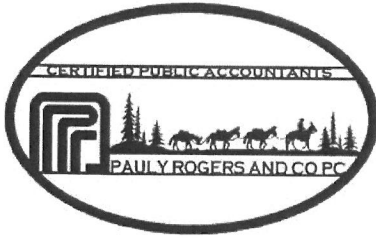
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FINANCIAL

SECTION

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PAULY, ROGERS, AND Co., P.C.
12700 SW 72nd Ave. ♦ Tigard, OR 97223
(503) 620-2632 ♦ (503) 684-7523 FAX
www.paulyrogersandcogas.com

January 21, 2016

To the Honorable Mayor and Members of the City Council
City of St. Helens, Oregon

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of St. Helens as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of St. Helens, as of June 30, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

The City adopted the provisions of GASB Statement No. 68, *Accounting and Reporting for Pensions*, as well as the provisions of GASB Statement No. 71, *Pensions Transition for Contributions Made Subsequent to the Measurement Date*, for the year ended June 30, 2015. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information to be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The budgetary comparison schedules presented as Required Supplementary Information, as listed in the table of contents, have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and in our opinion are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of St. Helens' basic financial statements. The supplementary information, as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information, as listed in the table of contents, is fairly stated in all material respects in relation to the financial statements as a whole.

Other Information

The listing of council members containing their term expiration dates, located before the table of contents, has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Report on Other Legal and Regulatory Requirements

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated January 21, 2016, on our consideration of compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.



Kenneth Allen, CPA
Municipal Auditor
PAULY, ROGERS AND CO., P.C.

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CITY OF ST. HELENS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2015

Introduction

City of St. Helens' discussion and analysis offers readers of the City's financial statements an overview and analysis of the City's financial activities for the fiscal year ended June 30, 2015. We encourage readers to consider the information presented here in conjunction with the basic financial statements (which immediately follow this discussion).

Financial Highlights

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$53.58 million. Of this amount, \$7.83 million (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.
- On a government-wide basis, the City's total net position was decreased as of the beginning of the year due to a restatement of \$2.69 million. Total net position increased during the year by \$4.03 million. Net position associated with governmental activities increased \$3.89 million primarily reflecting transfer of business-type reserves dedicated for property acquisition (governmental), adjustments to the City's pension obligations, and receipt of grant funds by the Marine Board. Net position with business-type activities increased by \$0.15 million primarily due to pension adjustments and transfer of reserves dedicated for economic development (governmental), partially offset by timber revenues.
- On a fund basis, the City's governmental funds reported a combined ending fund balance of \$13.13 million. A \$3.65 million increase from the prior year which primarily reflects transfers of enterprise operating / reserve funds to cover costs of pending capital improvement projects, and the continue accumulation of system development fees to cover cost of planned future growth related projects.
- The General Fund's financial position decreased over last fiscal year. On June 30, 2015, the ending fund balance is \$1.79 million, a decrease .04 million from the previous year. The decrease reflects one time capital expenditures, partial offset by improved local economy. The unassigned fund balance is \$1.72 million and represents 44% of operating expenditures and can be used to meet the City's ongoing obligations to citizens and creditors. City Council has designated a minimum unassigned fund balance to reflect no less than 20% of operating expenditures.

Overview of the Financial Statements

The following discussion and analysis is intended to serve as an introduction to the City's basic financial statements and other required supplemental information. The City's basic financial statements are comprised of three components:

- Government-wide financial statements
- Fund financial statements
- Notes to basic financial statements

Government-wide Financial Statements

The government-wide financial statements reports information about the City as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position presents information on all of the City's asset, deferred outflows, deferred inflows and liabilities. Assets and deferred outflows less liabilities and deferred inflows are reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (government activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety and justice, land use and planning, street transportation, library and educational services, parks and recreation, tourism activities, and community housing services. The business-type activities include water system operations, sewer system operations, storm drain operations, fleet maintenance, administrative services and public works administrative activities.

Fund Financial Statements

Fund financial statements are groupings of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to demonstrate finance-related legal compliance. All of the funds of the City can be divided into two categories: *governmental* or *proprietary*.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Governmental fund's financial statement focuses on the near-term inflows and outflows of expendable resources, as well as on balances of expendable resources available at the end of the fiscal year. Such information may be useful in evaluating the City's near-term financing requirements. Because the focus of governmental funds is narrower than that of governmental activities financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's long-term financing decisions. The governmental funds' Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and government-wide activities.

Information is presented separately in the governmental funds' Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances for the General and State Tax Street Funds. Other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

Proprietary funds are maintained in two ways. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for Water Operation Services, Sewer Operation Services, and Storm Drain Services. Internal Services Funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses an internal service fund to account for Fleet Operations, Administrative Services and Public Works Administration. Because these services predominantly benefit business-type rather than governmental activities, they have been included within the business-type activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

Notes to Basic Financial Statements

The notes to basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes are an integral part of the basic financial statements.

Government-wide Financial Analysis

Statement of Net Position (In \$ millions)

	Governmental Activities		Business-type Activities		Totals	
	2015	2014	2015	2014	2015	2014
ASSETS						
Current and other assets	\$ 14.04	\$ 10.41	\$ 5.89	\$ 7.05	\$ 19.93	\$ 17.46
Net pension asset	0.81	-	0.69	-	1.50	-
Interfund loan	(0.35)	(0.35)	0.35	0.35	-	-
Capital assets, net	16.68	16.51	32.70	32.53	49.38	49.04
Total assets	31.18	26.57	39.63	39.93	70.81	66.50
LIABILITIES						
Current liabilities	0.93	0.83	1.43	1.35	2.35	2.18
Long-term obligations	0.92	-	11.80	12.09	12.71	12.09
Total liabilities	1.84	0.83	13.22	13.44	15.07	14.27
DEFERRED INFLOWS						
Net Pension Deferrals	1.17	-	0.99	-	2.16	-
NET POSITION						
Invested in capital assets, net of related debt	16.68	16.51	20.17	19.66	36.86	36.17
Restricted	8.11	7.22	0.79	0.68	8.90	7.90
Unrestricted	3.38	2.02	4.45	6.16	7.83	8.17
TOTAL NET POSITION	\$ 28.17	\$ 25.74	\$ 25.41	\$ 26.50	\$ 53.58	\$ 52.24

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The City's net position totaled \$53.58 million at June 30, 2015.

The largest portion of the City's net position represents its net investment in capital assets. These assets include current year additions to water, sewer, and storm drain infrastructure which are partially offset by issuance of debt (Loan Proceeds). These assets are used to provide services to the citizens of our City.

The restricted net position represents amounts which can be used only for specific purposes as imposed by external authorities or through applicable laws and regulations. The unrestricted net position is available to the City to meet its ongoing obligations to citizens and creditors.

*Changes in Net Position
(In \$ millions)*

	Governmental Activities		Business-type Activities		Totals	
	2015	2014	2015	2014	2015	2014
Program revenues						
Charges for services	\$ 0.62	\$ 0.92	\$ 7.69	\$ 7.47	\$ 8.31	\$ 8.40
Operating grants and contributions	0.32	0.48	-	-	0.32	0.48
Capital grants and contributions	0.50	-	-	-	0.50	-
General revenues	-	-	-	-	-	-
Property taxes	1.57	1.53	-	-	1.57	1.53
Franchise taxes	1.46	1.42	-	-	1.46	1.42
Transient room taxes	0.11	0.08	-	-	0.11	0.08
Other grants and contributions	1.17	1.17	-	-	1.17	1.17
Investment earnings	0.02	0.02	0.08	0.04	0.10	0.06
Miscellaneous	0.13	0.15	0.90	1.44	1.04	1.59
Watershed logging	(1.10)	-	1.10	-	-	-
Transfers	3.74	0.40	(3.74)	(0.40)	-	-
Total revenues	<u>8.56</u>	<u>6.17</u>	<u>6.03</u>	<u>8.56</u>	<u>14.59</u>	<u>14.73</u>
Program expenses						
General government	0.40	0.38	-	-	0.40	0.38
Public safety	1.98	2.73	-	-	1.98	2.73
Highways and streets	1.47	0.75	-	-	1.47	0.75
Culture and recreation	0.82	1.50	-	-	0.82	1.50
Interest on long-term obligations	0.00	0.00	-	-	0.00	0.00
Water	-	-	2.59	3.07	2.59	3.07
Sewer	-	-	3.29	3.72	3.29	3.72
Total program expenses	<u>4.67</u>	<u>5.36</u>	<u>5.88</u>	<u>6.78</u>	<u>10.55</u>	<u>12.14</u>
Change in net position	3.89	0.82	0.15	1.77	4.03	2.59
Net position - beginning of year, as restated	<u>24.28</u>	<u>24.92</u>	<u>25.26</u>	<u>24.72</u>	<u>49.55</u>	<u>49.65</u>
Net position - end of year	<u>\$ 28.17</u>	<u>\$ 25.74</u>	<u>\$ 25.41</u>	<u>\$ 26.50</u>	<u>\$ 53.58</u>	<u>\$ 52.24</u>

Due to implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, the beginning net position of FY 2014-15 was restated. However, the FY 2013-14 net position was not restated because Oregon Public Employees' Retirement System (ORPERS), the investment and administrative agent for the City's retirement system, did not provide the information, as such, it was not practicable to restate for all prior years.

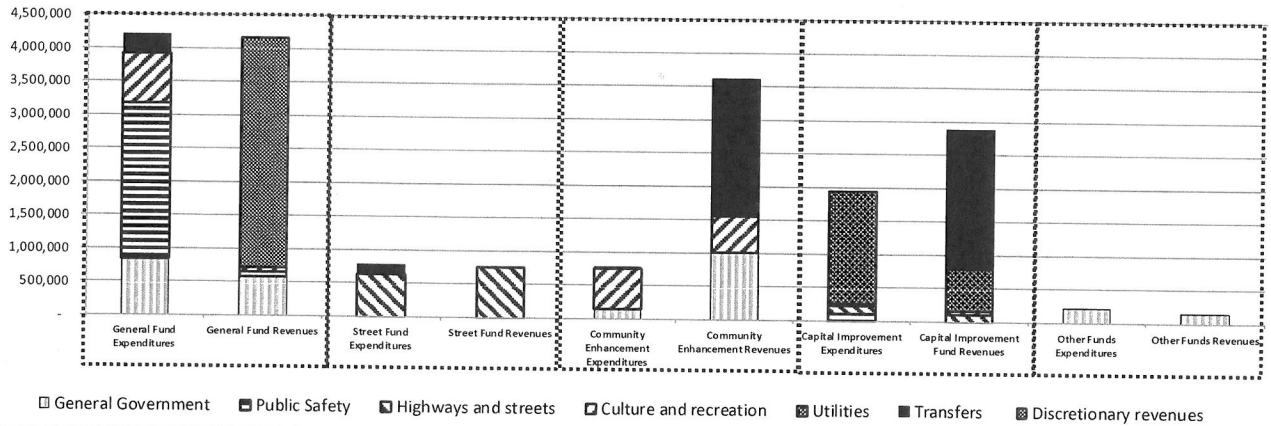
Financial Analysis of the Government's Funds

The focus of the City's governmental funds is to provide information on expendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$13.1 million. Approximately \$1.72 million or 13% of this amount constitutes unassigned fund balance which is available for spending at the government's discretion. The remainder of fund balance is assigned, restricted, or unavailable and is not available for new spending because of contractual or regulatory requirements that limit usage.

The increase in reserves from \$9.48 million to \$13.13 million or an increase of \$3.65 million is primarily a reflection of transfer of enterprise operating / reserve funds to fund pending capital improvement projects and increase in development fees (accumulating to cover future growth related projects). The chart below reflects governmental fund's revenue and program expenditures.

Governmental Funds - Revenues and Program Expenses



Programs	General Fund		Street Fund		Community Enhancement		Capital Improvement		Other Funds		Total Governmental	
	Expenditures	Revenues	Expenditures	Revenues	Expenditures	Revenues	Expenditures	Revenues	Expenditures	Revenues	Expenditures	Revenues
General Government												
City Council	59,785	59,785	-	-	-	-	-	-	-	-	59,785	59,785
Community Development	404,839	327,881	-	-	137,357	1,000,000	-	-	217,496	151,830	759,692	1,479,711
Courts	317,743	199,364	-	-	-	-	-	-	-	-	317,743	199,364
Non-Departmental	60,608	-	-	-	-	-	-	-	-	-	60,608	-
Total General Govt	842,975	587,030	-	-	137,357	1,000,000	-	-	217,496	151,830	1,197,828	1,738,860
Library	538,104	29,380	-	-	142,029	67,199	-	-	-	-	680,133	96,579
Police	2,323,492	62,292	-	-	15,195	14,722	108,961	-	-	-	2,447,649	77,014
Public Works												
Parks	218,339	40,847	-	-	460,542	460,585	22,302	45,784	-	-	701,183	547,216
Streets	-	-	639,487	747,689	-	-	126,418	112,018	-	-	765,906	859,707
Water	-	-	-	-	-	-	571,576	80,781	-	-	571,576	80,781
Sewer	-	-	-	-	-	-	433,179	500,168	-	-	433,179	500,168
Storm	-	-	-	-	-	-	678,370	56,700	-	-	678,370	56,700
Total Public Works	218,339	40,847	639,487	747,689	460,542	460,585	1,831,844	795,451	-	-	3,150,213	2,044,572
Transfers	267,740	-	137,500	-	2,421	2,065,340	-	2,073,421	-	-	407,661	4,138,761
Discretionary revenues	-	3,435,597	-	-	-	-	-	-	-	-	-	3,435,597
Totals	4,190,651	4,155,146	776,987	747,689	757,545	3,607,846	1,940,805	2,868,872	217,496	151,830	7,883,483	11,531,383

Financial Analysis of the Proprietary's Funds

The City's proprietary funds provide the same type of information as the business-type activities in the Government-wide financial statements. As of the end of the current fiscal year, the City's proprietary funds reported a combined unrestricted net position of \$4.45 million. The unrestricted net position decreased by \$1.71 million primarily due to transfer of reserves dedicated for economic development (governmental), partially offset by timber revenues. The identified capital infrastructure replacement and system growth needs has resulted in projected multiyear rate increases.

General Fund Budgetary Highlights

City Council and staff continue to work hard to maintain existing service levels with minimum staffing. While the local economy has seen signs of improvement and growth since the great recession, the cash flow of operating revenues still limit improvement to services. The challenge is balancing the services desired by the public with available revenues. In FY 2014-15, staffing levels were maintained at the FY 2006-07 levels. The City strives to maintain or improve operating reserves in excess of financial policies.

Capital Asset and Debt Administration

Capital Assets: Investment in capital assets by the governmental and business-type activities as of June 30, 2015 was \$49.38 million net of accumulated depreciation. The investment in capital assets includes land, buildings, and system improvements, machinery and equipment and roads.

The major capital asset events during the current fiscal year were as follows:

- Governmental activities:
 - Library/Police building improvements \$69,900
 - Gateway sculpture - \$18,700
 - Streets - \$34,400

- Business-type activities
 - Water Mains/Meters replacements - \$346,800
 - Water Telemetry System upgrade - \$224,800
 - Rolling Equipment - \$291,900
 - Sanitary Sewer I/I Project - \$370,300
 - Sewer Mains and Storm Drains replacements- \$592,800
 - Sewer meter and lift stations - \$56,400

Additional information on the City's capital assets may be found in Note 4 to the basic financial statements.

Long-term Debt: At the end of the current fiscal year, the City had total debt outstanding of \$13.91 million. Of this amount, \$1.22 million is reported governmental activities and \$12.69 million is reported in business-type activities. The City issued \$1.35 million in debt in this fiscal year which represented an increase in the DEQ loan for Sanitary/Storm Drain Systems (\$.35 million) and issuance a note with Columbia Bank to assist in purchase of water front property (\$1 million).

Additional information on the City's long-term debt may be found in Note 7 to the basic financial statements.

Economic Factors and Next Year's Budgets and Rates

During the preparation of the budget for the ensuing fiscal year, several major assumptions were used:

- Health premium costs would increase 8%
- Anticipated cost of living increase of 2.5%
- Investment interest rates will be .5%
- Assessed values, the basis of property tax revenues, will grow by 3%
- Inflation will occur at 2%

Requests for Information

This financial report is designed to provide a general overview of the City's finances for those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: City of St. Helens, Attn: Jon Ellis - Finance Director/Budget Officer, P. O. Box 278, St. Helens, Or 97051, or e-mailed to: jellis@ci.st-helens.or.us.

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CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON

BASIC FINANCIAL STATEMENTS

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**CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON**

**STATEMENT OF NET POSITION
June 30, 2015**

ASSETS	GOVERNMENTAL	BUSINESS TYPE	TOTAL
Current Assets:			
Cash and Investments	\$ 12,982,250	\$ 3,865,899	\$ 16,848,149
Receivables	1,070,579	1,853,376	2,923,955
Internal Balances	(63,271)	63,271	-
Supply Inventory	48,040	106,456	154,496
Total Current Assets	<u>14,037,598</u>	<u>5,889,002</u>	<u>19,926,600</u>
Net Pension Asset	810,878	687,003	1,497,881
Interfund Loan	(352,796)	352,796	-
Capital Assets, net	<u>16,682,382</u>	<u>32,698,552</u>	<u>49,380,934</u>
Total Assets	<u>31,178,062</u>	<u>39,627,353</u>	<u>70,805,415</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable and Accrued Liabilities	590,786	134,885	725,671
Accrued Interest Payable	-	217,422	217,422
Deposits Payable	27,282	178,672	205,954
Current Portion of Long-Term Debt	<u>307,456</u>	<u>896,926</u>	<u>1,204,382</u>
Total Current Liabilities	<u>925,524</u>	<u>1,427,905</u>	<u>2,353,429</u>
Long-Term Liabilities			
Loans Payable	<u>917,146</u>	<u>11,796,708</u>	<u>12,713,854</u>
Total Long-Term Liabilities	<u>917,146</u>	<u>11,796,708</u>	<u>12,713,854</u>
Total Liabilities	<u>1,842,670</u>	<u>13,224,613</u>	<u>15,067,283</u>
DEFERRED INFLOWS			
Net Pension Deferrals	<u>1,167,712</u>	<u>989,326</u>	<u>2,157,038</u>
NET POSITION			
Net Investment in Capital Assets	16,682,382	20,174,568	36,856,950
Restricted For:			
Capital Projects	7,392,128	-	7,392,128
Tourism	164,831	-	164,831
Highways and Streets	547,667	-	547,667
Rate Stabilization	-	450,000	450,000
Debt Service	-	337,334	337,334
Other	5,430	-	5,430
Unrestricted	<u>3,375,242</u>	<u>4,451,512</u>	<u>7,826,754</u>
Total Net Position	<u>\$ 28,167,680</u>	<u>\$ 25,413,414</u>	<u>\$ 53,581,094</u>

The accompanying notes are an integral part of the basic financial statements.

**CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON**

**STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2015**

Functions/Programs	Expenses	Program Revenues		
		Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General Government	\$ 399,260	\$ 234,499	\$ 191,431	\$ -
Public Safety	1,982,228	217,342	107,901	-
Culture and Recreation	1,469,022	94,061	19,420	468,085
Highways and Streets	820,808	78,209	-	36,223
Interest on Long Term Debt	1,834	-	-	-
Total Governmental Activities	4,673,152	624,111	318,752	504,308
Business-Type Activities				
Water	2,586,079	3,002,235	-	-
Sewer	3,294,401	4,685,495	-	-
Total Business Activities	5,880,480	7,687,730	-	-
Total Primary Government	\$ 10,553,632	\$ 8,311,841	\$ 318,752	\$ 504,308

General Revenues

Property Taxes
Franchise Taxes
Transient Room Taxes
Unrestricted Grants and Contributions
Unrestricted Investment Earnings
Miscellaneous
Capital Contributions
Transfers

Total General Revenues and Transfers

Change in Net Position

Beginning Net Position, Restated

Ending Net Position

The accompanying notes are an integral part of the basic financial statements.

Net Revenues (Expenses) and Changes in Net Position

<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
\$ 26,670	\$ -	\$ 26,670
(1,656,985)	-	(1,656,985)
(887,456)	-	(887,456)
(706,376)	-	(706,376)
(1,834)	-	(1,834)
<u>(3,225,981)</u>	<u>-</u>	<u>(3,225,981)</u>
-	416,156	416,156
-	1,391,094	1,391,094
<u>-</u>	<u>1,807,250</u>	<u>1,807,250</u>
<u>(3,225,981)</u>	<u>1,807,250</u>	<u>(1,418,731)</u>
1,573,795	-	1,573,795
1,456,504	-	1,456,504
110,671	-	110,671
1,173,956	-	1,173,956
23,809	78,395	102,204
132,845	902,634	1,035,479
(1,096,630)	1,096,630	-
3,736,100	(3,736,100)	-
<u>7,111,050</u>	<u>(1,658,441)</u>	<u>5,452,609</u>
3,885,069	148,809	4,033,878
<u>24,282,611</u>	<u>25,264,605</u>	<u>49,547,216</u>
<u>\$ 28,167,680</u>	<u>\$ 25,413,414</u>	<u>\$ 53,581,094</u>

**CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON**

**BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2015**

	GENERAL	STREET FUND	COMMUNITY ENHANCEMENT FUND	CAPITAL IMPROVEMENT FUND
ASSETS				
Cash and Investments	\$ 1,938,538	\$ 565,982	\$ 2,880,625	\$ 7,442,226
Accounts Receivable	381,945	-	467,641	15,251
Property Taxes Receivable	113,631	-	-	-
Inventories	-	48,040	-	-
Total Assets	\$ 2,434,114	\$ 614,022	\$ 3,348,266	\$ 7,457,477
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
Liabilities:				
Accounts Payable and Accrued Liabilities	\$ 358,243	\$ 13,138	\$ 34,620	\$ 183,558
Deposits Payable	27,282	-	-	-
Total Liabilities	385,525	13,138	34,620	183,558
Deferred Inflows:				
Unavailable Revenue	255,794	-	-	15,251
Fund Balances:				
Nonspendable:				
Inventory	-	48,040	-	-
Restricted For:				
Capital Projects	72,010	-	61,450	7,258,668
Tourism	-	-	-	-
Highways and Streets	-	547,667	-	-
Other Purposes	-	5,430	-	-
Committed For:				
Arts Commission	-	-	19,085	-
Parks Capital	-	-	76,184	-
Library	-	-	5,690	-
Library Equipment	-	-	15,700	-
Library Facilities	-	-	189,080	-
Library Grant	-	-	2,735	-
Economic Development	-	-	2,912,041	-
PEG Access	-	-	14,592	-
Police	-	-	17,914	-
Unassigned	1,720,785	(253)	(825)	-
Total Fund Balances	1,792,795	600,884	3,313,646	7,258,668
Total Liabilities, Deferred Inflows, and Fund Balances	\$ 2,434,114	\$ 614,022	\$ 3,348,266	\$ 7,457,477

The accompanying notes are an integral part of the basic financial statements.

OTHER GOVERNMENTAL FUNDS		TOTAL
\$ 154,879	\$ 12,982,250	
92,111	956,948	
-	113,631	
-	48,040	
<u>\$ 246,990</u>	<u>\$ 14,100,869</u>	

\$ 1,227	\$ 590,786
-	27,282
<u>1,227</u>	<u>618,068</u>

<u>80,932</u>	<u>351,977</u>
---------------	----------------

-	48,040
-	7,392,128
164,831	164,831
-	547,667
-	5,430
-	19,085
-	76,184
-	5,690
-	15,700
-	189,080
-	2,735
-	2,912,041
-	14,592
-	17,914
-	1,719,707
<u>164,831</u>	<u>13,130,824</u>
<u>\$ 246,990</u>	<u>\$ 14,100,869</u>

**CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON**

**RECONCILIATION OF BALANCE SHEET OF GOVERNMENTAL FUNDS
TO STATEMENT OF NET POSITION**

June 30, 2015

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position.

Fund Balances		\$	13,130,824
<p>The cost of capital assets (land, buildings, improvements, machinery and equipment, infrastructure, and construction in progress) is reported as an expenditure in governmental funds. The statement of net position includes those capital assets among the assets of the City as a whole.</p>			
Net Capital Assets			16,682,382
<p>Accrued compensated absences are not due and payable in the current period and therefore are not reported in the funds.</p>			
Accrued Vacation and Comp Time			(224,602)
<p>Long term debt proceeds are reported as revenue in the governmental funds, but are increases to liabilities on the Statement of Net Position</p>			
			(1,000,000)
<p>Internal balances result from transactions between the governmental activities, business-type activities, and internal service funds.</p>			
			(63,271)
<p>Interfund loans that are not due within one year are not reported in the funds</p>			
			(352,796)
<p>Estimated pension obligations are reported on the Statement of Net Position. These items are not reported in the governmental funds</p>			
Net Pension Asset		\$ 810,878	
Net Pension Deferrals		<u>(1,167,712)</u>	(356,834)
<p>The governmental funds report receivables for various items where the related revenue is not available in the current period, and therefore the funds report that revenue as unearned. The statement of net position considers the revenue to be earned immediately, and does not report a deferred inflow for unearned revenue.</p>			
			<u>351,977</u>
Total Net Position		\$	<u><u>28,167,680</u></u>

The accompanying notes are an integral part of the basic financial statements.

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**CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
For the Year Ended June 30, 2015**

	GENERAL	STREET FUND	COMMUNITY ENHANCEMENT FUND	CAPITAL IMPROVEMENT FUND
REVENUES				
Property Taxes	\$ 1,592,730	\$ -	\$ -	\$ -
Transient Room Taxes	-	-	-	-
Franchise Fees	1,456,504	-	-	-
Licenses and Permits	334,342	-	-	-
Intergovernmental Revenues	393,295	736,027	508,876	36,223
Fines and Forfeitures	217,258	-	-	-
Systems Development Charges	-	-	-	412,016
Interest	12,827	9,841	1,141	-
Miscellaneous	129,193	1,821	27,489	-
Total Revenues	4,136,149	747,689	537,506	448,239
EXPENDITURES				
Current:				
General Government	525,232	-	-	-
Public Safety	2,641,236	-	-	-
Culture and Recreation	756,443	-	755,122	-
Highways and Streets	-	639,487	-	-
Capital Outlay	-	-	-	1,940,805
Total Expenditures	3,922,911	639,487	755,122	1,940,805
Excess, (Deficit) of Revenues Over, (Under) Expenditures	213,238	108,202	(217,616)	(1,492,566)
Other Financing Sources, -Uses				
Loan Proceeds	-	-	1,000,000	347,211
Transfers In	19,000	-	2,070,340	2,073,421
Transfers Out	(267,740)	(137,500)	(2,421)	-
Total Other Financing Sources, (Uses)	(248,740)	(137,500)	3,067,919	2,420,632
Net Change in Fund Balance	(35,502)	(29,298)	2,850,303	928,066
Beginning Fund Balance	1,828,297	630,182	463,343	6,330,602
Ending Fund Balance	<u>\$ 1,792,795</u>	<u>\$ 600,884</u>	<u>\$ 3,313,646</u>	<u>\$ 7,258,668</u>

The accompanying notes are an integral part of the basic financial statements.

OTHER GOVERNMENTAL	
<u>FUNDS</u>	<u>TOTAL</u>
\$ -	\$ 1,592,730
110,671	110,671
-	1,456,504
-	334,342
7,031	1,681,452
-	217,258
-	412,016
-	23,809
<u>34,127</u>	<u>192,630</u>
<u>151,829</u>	<u>6,021,412</u>
-	525,232
-	2,641,236
198,496	1,710,061
-	639,487
<u>-</u>	<u>1,940,805</u>
<u>198,496</u>	<u>7,456,821</u>
(46,667)	(1,435,409)
-	1,347,211
-	4,162,761
<u>(19,000)</u>	<u>(426,661)</u>
<u>(19,000)</u>	<u>5,083,311</u>
(65,667)	3,647,902
<u>230,498</u>	<u>9,482,922</u>
<u>\$ 164,831</u>	<u>\$ 13,130,824</u>

**CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON**

**RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS - TO STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2015**

Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balance and the government-wide statement of activities

Excess of Revenues over Expenditures \$ 3,647,902

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Some expenditures however, are made on behalf of business-type activities and recorded as capital contributions on the Statement of Activities. Furthermore, the disposal of old capital assets creates a gain or loss that is allocated to the Statement of Activities. This is the total change in capital asset balances during the year:

Capital Outlay	\$	1,940,805	
Other Capitalized Expenditures		191,495	
Capital Contributions		(1,496,414)	
Gain/(Loss) on Disposal of Capital Assets		(47,720)	
Depreciation Expense		(413,454)	
		174,712	

Debt Proceeds are recorded as revenue in the governmental funds, but are liabilities in the government-wide statements. Sometimes debt proceeds are received on behalf of the business-type activities and are recorded as capital contributions on the Statement of Activities

Debt Proceeds	\$	(1,347,211)	
Capital Contributions		347,211	(1,000,000)

Governmental funds record interest expense when paid. The statement of activities, however, records interest expense as it comes due. (1,834)

On the statement of activities, compensated absences are recorded as expenses as soon as they are earned by employees. The governmental funds, however, only record an expense for compensated absences when they are paid out (24,433)

The government-wide statements accrue revenue as it is earned. The fund statements, however, only record revenue when it is available to pay for current expenditures. This is the change in the governmental funds' deferred inflow for unavailable revenue. (8,309)

The change in estimated pension obligations is reflected in the Statement of Activities. The governmental funds, however, only record pension expenses as they are paid 1,099,794

Internal service funds are used by management to allocate costs among the City's various funds. The net revenue (expense) of the internal service funds that are attributable to the governmental activities are recorded in the statement of activities (2,763)

Change in Net Position \$ 3,885,069

The accompanying notes are an integral part of the basic financial statements.

**CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON**

**STATEMENT OF PROPRIETARY NET POSITION
June 30, 2015**

	ENTERPRISE FUNDS			INTERNAL SERVICE
	WATER	SEWER	TOTAL	
ASSETS				
Current Assets				
Cash and Investments	\$ 1,684,525	\$ 1,984,457	\$ 3,668,982	\$ 196,917
Accounts Receivable	595,962	1,257,414	1,853,376	-
Inventory	83,231	13,781	97,012	9,444
Total Current Assets	<u>2,363,718</u>	<u>3,255,652</u>	<u>5,619,370</u>	<u>206,361</u>
Noncurrent Assets				
Net Pension Asset	257,694	429,309	687,003	-
Interfund Loan	352,796	-	352,796	-
Capital Assets, net	15,216,426	17,415,776	32,632,202	66,350
Total Noncurrent Assets	<u>15,826,916</u>	<u>17,845,085</u>	<u>33,672,001</u>	<u>66,350</u>
Total Assets	<u>18,190,634</u>	<u>21,100,737</u>	<u>39,291,371</u>	<u>272,711</u>
LIABILITIES				
Current Liabilities				
Accounts Payable and Accrued Liabilities	56,167	45,266	101,433	33,452
Accrued Interest Payable	10,344	207,078	217,422	-
Deposits Payable	178,672	-	178,672	-
Compensated Absences Payable	61,537	108,113	169,650	-
Current Portion of Long-Term Liabilities	377,000	350,276	727,276	-
Total Current Liabilities	<u>683,720</u>	<u>710,733</u>	<u>1,394,453</u>	<u>33,452</u>
Long-term Liabilities				
Bonds & Loans Payable, Net of Current Portion	5,163,000	6,633,708	11,796,708	-
Total Liabilities	<u>5,846,720</u>	<u>7,344,441</u>	<u>13,191,161</u>	<u>33,452</u>
DEFERRED INFLOWS				
Net Pension Deferrals	371,095	618,231	989,326	-
NET POSITION				
Net Investment in Capital Assets	9,676,426	10,431,792	20,108,218	66,350
Restricted for Rate Stabilization	150,000	300,000	450,000	-
Restricted for Debt Service	-	337,334	337,334	-
Unrestricted	2,146,393	2,068,939	4,215,332	172,909
Total Net Position	<u>\$ 11,972,819</u>	<u>\$ 13,138,065</u>	<u>25,110,884</u>	<u>\$ 239,259</u>
Reconciliation to the Statement of Net Position:				
The assets and liabilities of the internal service funds have been included in business-type activities on the statement of net position as they provide services predominantly to the enterprise funds			239,259	
Internal balances result from transactions between the governmental activities, business-type activities, and internal service funds			<u>63,271</u>	
NET POSITION OF BUSINESS-TYPE ACTIVITIES			<u>\$ 25,413,414</u>	

The accompanying notes are an integral part of the basic financial statements.

**CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Year Ended June 30, 2015**

	ENTERPRISE FUNDS			INTERNAL SERVICE
	WATER	SEWER	TOTAL	
OPERATING REVENUES				
Utility Service Charges	\$ 3,002,235	\$ 4,685,495	\$ 7,687,730	\$ -
Other Service Charges	-	-	-	7,805
Internal Charges	-	-	-	1,687,962
Total Operating Revenues	<u>3,002,235</u>	<u>4,685,495</u>	<u>7,687,730</u>	<u>1,695,767</u>
OPERATING EXPENSES				
Personal Service	577,696	828,688	1,406,384	1,099,171
Materials and Services	1,113,885	1,674,271	2,788,156	634,711
Depreciation	755,912	632,096	1,388,008	8,127
Total Operating Expenses	<u>2,447,493</u>	<u>3,135,055</u>	<u>5,582,548</u>	<u>1,742,009</u>
Operating Income -Loss	<u>554,742</u>	<u>1,550,440</u>	<u>2,105,182</u>	<u>(46,242)</u>
NONOPERATING REVENUES, (EXPENSES)				
Transfers In	-	-	-	31,400
Transfers Out	(2,465,000)	(1,302,500)	(3,767,500)	-
Interest	28,295	50,100	78,395	-
Miscellaneous	33,709	13,254	46,963	26,624
Watershed Logging	964,765	-	964,765	-
Land Management	(71,802)	-	(71,802)	-
Capital Contributions	571,576	525,054	1,096,630	-
Gain, (Loss) on Disposal of Capital Assets	-	(37,292)	(37,292)	-
Bond & Loan Interest Expense	(133,817)	(147,260)	(281,077)	-
Total Nonoperating Revenues -Expenses	<u>(1,072,274)</u>	<u>(898,644)</u>	<u>(1,970,918)</u>	<u>58,024</u>
Change in Net Position	<u>(517,532)</u>	<u>651,796</u>	<u>134,264</u>	<u>11,782</u>
NET POSITION, Beginning of Year, Restated	<u>12,490,351</u>	<u>12,486,269</u>	<u>24,976,620</u>	<u>227,477</u>
NET POSITION, End of Year	<u>\$ 11,972,819</u>	<u>\$ 13,138,065</u>	<u>\$ 25,110,884</u>	<u>\$ 239,259</u>

Reconciliation to the Statement of Activities:

Change in Net Position (from above) 134,264

A portion of the net revenue (expense) of the internal service funds
are allocated to the business-type activities

14,545

CHANGE IN NET POSITION OF BUSINESS TYPE ACTIVITIES

\$ 148,809

The accompanying notes are an integral part of the basic financial statements.

CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2015

	ENTERPRISE FUNDS			INTERNAL SERVICE
	WATER	SEWER	TOTAL	
Cash Flows from Operating Activities:				
Cash Received from Customers	\$ 2,949,816	\$ 4,743,648	\$ 7,693,464	\$ 1,696,212
Cash Paid to Suppliers	(1,115,620)	(1,647,693)	(2,763,313)	(621,430)
Cash Paid to Employees	(925,508)	(1,397,043)	(2,322,551)	(1,099,171)
Net Cash Provided -Used by Operating Activities	908,688	1,698,912	2,607,600	(24,389)
Cash Flows from Noncapital Financing Activities:				
Miscellaneous Receipts	33,709	906	34,615	26,624
Transfers	(2,465,000)	(1,302,500)	(3,767,500)	31,400
Net Cash Provided -Used by Noncapital Financing Activities	(2,431,291)	(1,301,594)	(3,732,885)	58,024
Cash Flows from Capital and Related Financing Activities:				
Payment of Principal of Long Term Debt	(367,000)	(330,650)	(697,650)	-
Payment of Interest on Long Term Debt	(134,502)	(60,980)	(195,482)	-
Purchase of Capital Assets	-	(101,221)	(101,221)	-
Net Cash Provided -Used by Capital and Related Financing Activities	(501,502)	(492,851)	(994,353)	-
Cash Flows from Investing Activities:				
Waterhed Logging - net	892,963	-	892,963	-
Interest on Investments	26,461	29,528	55,989	-
Net Cash Provided -Used by Investing Activities	919,424	29,528	948,952	-
Net Increase -Decrease in Cash and Cash Equivalents	(1,104,681)	(66,005)	(1,170,686)	33,635
Cash and Investments at Beginning of Year	2,789,206	2,050,462	4,839,668	163,282
Cash and Investments at End of Year	<u>\$ 1,684,525</u>	<u>\$ 1,984,457</u>	<u>\$ 3,668,982</u>	<u>\$ 196,917</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities				
Operating Income, -Loss	\$ 554,742	\$ 1,550,440	\$ 2,105,182	\$ (46,242)
Noncash Items Included in Income:				
Depreciation	755,912	632,096	1,388,008	8,127
Pension Estimate	(349,467)	(582,200)	(931,667)	-
Decrease -Increase in Accounts Receivable	(27,164)	58,153	30,989	445
Decrease -Increase in Inventory	(31,113)	5,404	(25,709)	(255)
Increase -Decrease in Accounts Payable and Accrued Liabilities	29,378	21,594	50,972	13,536
Increase -Decrease in Accrued Vacation Payable	1,655	13,425	15,080	-
Increase -Decrease in Customer Deposits	(25,255)	-	(25,255)	-
Net Cash Provided -Used by Operating Activities	<u>\$ 908,688</u>	<u>\$ 1,698,912</u>	<u>\$ 2,607,600</u>	<u>\$ (24,389)</u>
OTHER NON-CASH TRANSACTIONS				
Capital contribution - assets purchased by other funds	\$ 571,576	\$ 1,026,059	\$ 1,597,635	\$ -
Capital contribution - debt proceeds received by other funds	-	(347,211)	(347,211)	-
Capital contribution - note payments received by other funds	-	(52,573)	(52,573)	-
Loss on disposal of capital assets	-	(37,292)	(37,292)	-
Interest accrued on interfund loan	1,834	-	1,834	-

The accompanying notes are an integral part of the basic financial statements.

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**CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting policies. The more significant of the accounting policies are described below.

A. THE FINANCIAL REPORTING ENTITY

The City of St. Helens was chartered in 1889 through an act of the state legislature. In 1903, the City became the Columbia County Seat.

The City is a municipal corporation governed by an elected mayor and city council. Administrative functions are delegated to individuals who report to and are responsible to the mayor and council. The chief administrative officer is the city administrator.

Accounting principles generally accepted in the United States of America require that these financial statements present the City (the primary government) and all component units, if any. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government. The City does not have any component units.

B. BASIS OF PRESENTATION – FUND ACCOUNTING

Financial operations are accounted for in the following major governmental and proprietary funds:

GENERAL FUND

This fund accounts for all financial resources and expenditures, except those required to be accounted for in another fund. The principal revenue sources are property taxes, fees, licenses and state apportionments.

STATE TAX STREET FUND

This fund accounts for revenues received from state gas taxes that are expended on street construction and maintenance.

COMMUNITY ENHANCEMENT FUND

The purpose of this fund is to encourage opportunities for art and culture. Principal revenue sources are donations and transfers which are used to fund a number of community projects.

CAPITAL IMPROVEMENT FUND

This fund accounts for all capital improvement projects done by the City.

WATER FUND

This proprietary fund accounts for water system operations. The fund is predominantly self-supported through user charges to customers.

SEWER FUND

This proprietary fund accounts for sewer system operations. The fund is predominantly self-supported through user charges to customers.

CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

B. BASIS OF PRESENTATION – FUND ACCOUNTING (continued)

COMBINED INTERNAL SERVICE FUNDS

These proprietary funds, which include the Fleet Maintenance, Administrative Services, and Public Works funds, are combined and presented as one individual fund in the proprietary fund financial statements. These funds account for services provided to other departments within the City that benefit from the funds' services.

The City also includes the following fund types as other governmental funds:

Special Revenue Funds – These funds account for revenue derived from specific taxes or other revenue sources, which are designated to finance particular functions or activities. When a special revenue fund is not an operating fund, transfers are made from the special revenue fund to the operating funds authorized to make expenditures.

C. GOVERNMENT WIDE FINANCIAL STATEMENTS

The government-wide financial statements (i.e. the statement of net position and the statement of changes in net position) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and the proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

D. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary funds. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt

**CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

D. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (continued)

service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses result from providing, producing, and delivering goods in connection with a proprietary fund's principal ongoing operations.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be measurable to accrue as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received.

E. GRANTS

Unreimbursed grant expenditures due from grantor agencies are recorded in the basic financial statements as receivables and revenues. Cash received from grantor agencies in excess of related grant expenditures is recorded as Deferred Revenue in the combined balance sheet.

F. PROPERTY TAXES RECEIVABLE

Ad valorem property taxes are a lien on all taxable property as of July 1. Property taxes are levied and payable on November 15. Taxes are administrated by the County. Collection dates are November 15, February 15, and May 15. Discounts are allowed if the amount due is received by November 15. Taxes unpaid and outstanding on May 16 are considered delinquent.

Uncollected property taxes are shown in the combined balance sheet. Uncollected taxes are deemed to be substantially collectible or recoverable through liens; therefore, no allowance for uncollectible taxes has been established. Property taxes collected within approximately sixty days of fiscal year-end are recognized as revenue. The remaining balance of taxes receivable is recorded as deferred revenue because it is not deemed available to finance operations of the current period.

G. BUDGETS

A budget is prepared for all funds in accordance with the modified accrual basis of accounting and legal requirements set forth in the Oregon Local Budget Law. For governmental fund types, the budgetary basis of accounting is the same as generally accepted accounting principles. The budget process begins early in each fiscal year with the establishment of the Budget Committee. Recommendations are developed through late winter with the Budget Committee approving the budget in early spring. Public notices of the budget hearing are published generally in early spring with a public hearing being held approximately three weeks later. The Council may amend the budget prior to adoption, however, budgeted expenditures for each fund may not be increased by more than ten percent. The budget is then adopted, appropriations are made and the tax levy declared no later than June 30th.

CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

G. BUDGETS (continued)

The levels of control are combined in various ways throughout the funds to make up the master appropriated amounts. Expenditures cannot legally exceed the master appropriation levels except in the case of restricted revenues which could not be estimated at the time of budget adoption. Appropriation authority may be transferred from one level of control to another by Council resolution. Appropriations lapse at the fiscal year end. Supplemental appropriations may occur if the Council approves them due to a need which exists which was not determined at the time the budget was adopted.

Budget amounts shown in the basic financial statements reflect the original budget amounts and three appropriation transfers and one supplemental budget. Expenditures of the various funds were within authorized appropriations for the year ended June 30, 2015.

H. SUPPLY INVENTORY

Inventories are stated at the lower of cost or market, using the first-in, first-out method and are recognized as expenses in the funds as they are consumed.

I. CAPITAL ASSETS

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Capital assets in the proprietary fund types are stated at cost, or the estimated fair market value at the date of receipt for gifts or projects constructed by others and accepted for ownership and maintenance by the City. Maintenance and repairs are expensed as incurred. Replacements which improve or extend the lives of property are capitalized. Depreciation is computed on the straight-line method over the estimated useful lives of the related assets. Upon disposal of such assets, the accounts are relieved of the related costs and accumulated depreciation and resulting gains or losses are reflected in operations. Estimated useful lives used in computing depreciation are:

Buildings and improvements	25 to 40 years
Improvements other than buildings	20 to 30 years
Equipment and machinery	5 to 20 years
Vehicles	5 to 15 years
Infrastructure	25 to 50 years

**CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

J. LONG-TERM OBLIGATIONS

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

K. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflow of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City does not have an item that qualifies for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two types of items, which qualifies for reporting in this category. The first unavailable revenue is in the governmental funds balance sheet to offset any receivables not collectible within 60 days. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The City's statement of net position shows another Net Deferred Inflow this amount is equal to the difference between actuarially projected investment earnings and actual investment earnings, less contributions that the City paid to PERS during 2014-2015.

L. COMPENSATED ABSENCES

The City has a policy which permits full-time employees to earn sick leave at the rate of one day per month and accumulate a maximum of 150 days or 1200 hours. Sick leave, which does not vest, is recognized in the funds when the leave is taken.

Each employee earns vacation at rates determined by their length of employment. An employee can accumulate a maximum of 600 hours. Vacation leave is accrued as it is earned. For governmental funds, the non-current portion (the amount estimated to be used in subsequent fiscal years) is maintained separately and represents a reconciling item between the fund-level and government-wide presentations. Only the current portion is reported in the governmental funds, and is calculated based on historical trends. In business type/enterprise funds, both the current and long-term liabilities are recorded.

M. RETIREMENT PLANS

Substantially all of the City's employees are participants in the State of Oregon Public Employees Retirement System (PERS). For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about fiduciary net position of PERS and additions to/deductions from PERS's fiduciary net position have been determined on

**CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

M. RETIREMENT PLANS (continued)

the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. GASB Statements 68 and 71 have been implemented as of July 1, 2014.

N. FUND BALANCE

In March 2009, the GASB issued Statement No. 54, Fund Balance Reporting and Governmental Fund-type Definitions. The objective of this statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund-type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed on the use of the resources reported in governmental funds. Under this standard, the fund balance classifications of reserved, designated, and unreserved/undesignated were replaced with five new classifications.

- Nonspendable fund balance represents amounts that are not in a spendable form. The nonspendable fund balance represents inventories and prepaid items.
- Restricted fund balance represents amounts that are legally restricted by outside parties for a specific purpose (such as debt covenants, grant requirements, donor requirements, or other governments) or are restricted by law (constitutionally or by enabling legislation).
- Committed fund balance represents funds formally set aside by the governing body for a particular purpose. The use of committed funds would be approved by resolution.
- Assigned fund balance represents amounts that are constrained by the expressed intent to use resources for specific purposes that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the governing body or by an official to whom that authority has been given by the governing body. The fund balance of the Water System Improvement Reserve fund has been assigned by management to pay for the cost of future capital projects.
- Unassigned fund balance is the residual classification of the General Fund. Only the General Fund may report a positive unassigned fund balance. Other governmental funds would report any negative residual fund balance as unassigned.

The governing body has approved the following order of spending regarding fund balance categories: Restricted resources are spent first when both restricted and unrestricted (committed, assigned or unassigned) resources are available for expenditures. When unrestricted resources are spent, the order of spending is committed (if applicable), assigned (if applicable) and unassigned.

The governing body has adopted a minimum fund balance policy for the General Fund. Per the policy, the General Fund's ending fund balance is not to be reduced below 20% of operating expenditures.

O. NET POSITION

Net position is comprised of the various net earnings from operations, nonoperating revenues, expenses and contributions of capital. Net position is classified in the following three categories:

Net investment in capital assets – consists of all capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

**CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

O. NET POSITION (continued)

Restricted – consists of external constraints placed on asset use by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position – consists of all other assets not included in the other categories previously mentioned.

P. INTERFUND TRANSACTIONS

Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. Operating interfund transactions are reported as transfers.

Q. CASH AND CASH EQUIVALENTS

For purposes of the statement of cash flows, the Proprietary Funds consider cash to include their proportional share of the cash and investment common pool since it has the general characteristics of demand deposit accounts in that the Proprietary Funds may deposit additional cash at any time and also effectively may withdraw cash at any time without prior notice or penalty.

R. ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. CASH AND INVESTMENTS

Cash management policies are governed by state statutes. Statutes authorized investing in bankers acceptances, time certificates of deposit, repurchase agreements, obligations of the United States and its agencies and instrumentalities, and the Oregon State Treasurer's Local Government Investment Pool.

A cash pool is maintained that is available for use by all funds. Each fund type's portion of this pool is reported on the combined balance sheet as Cash and Investments. In addition, cash is separately held by some of the funds.

Cash and Investments (recorded at cost) consisted of:

Deposits With Financial Institutions:	
Petty Cash	\$ 1,959
Demand Deposits	2,906,810
Investments	<u>13,939,380</u>
	<u>\$ 16,848,149</u>

**CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

2. CASH AND INVESTMENTS (continued)

Investments

The State Treasurer's Local Government Investment Pool is not registered with the U.S. Securities and Exchange Commission as an investment company. The Oregon Revised Statutes and the Oregon Investment Council govern the State's investment policies. The State Treasurer is the investment officer for the Council and is responsible for all funds in the State Treasury. These funds must be invested, and the investments managed, as a prudent investor would, exercising reasonable care, skill and caution. Investments in the Fund are further governed by portfolio guidelines issued by the Oregon Short-Term Fund Board, which establish diversification percentages and specify the types and maturities of investments. The portfolio guidelines permit securities lending transactions as well as investments in repurchase agreements and reverse repurchase agreements.

Amounts in the State Treasurer's Local Government Investment Pool are not required to be collateralized. As of June 30, 2015 the fair value of the position in the LGIP is 100.71% of the value of the pool shares as reported in the Oregon Short Term Fund audited financial statements. There were no known violations of legal or contractual provisions for deposits and investments during the fiscal year.

Interest Rate Risk

Oregon Revised Statutes require investments to not exceed a maturity of 18 months, except when the local government has adopted a written investment policy that was submitted to and reviewed by the OSTFB. There were no investments that have a maturity date in excess of 18 months.

Credit Risk

Oregon Revised Statutes authorize the City to invest in obligations of the U.S. Treasury and U.S. agencies, bankers' acceptances, repurchase agreements, commercial paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record, and the state treasurer's investment pool. The statutes do not limit investments as to credit rating for securities purchased from US Government Agencies or USGSE. The State Investment Pool is not rated.

There were the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in months)</u>	
		<u>Less than 3</u>	<u>More than 3</u>
State Treasurer's Investment Pool	\$ 10,748,045	\$ 10,748,045	\$ -
US Bank Treasury Note	3,191,335	-	3,191,335
Total	\$ 13,939,380	\$ 10,748,045	\$ 3,191,335

Concentration of Credit/Deposit Risk

At year-end, the City's net carrying amount of deposits was \$2,906,810 and the bank balance was \$3,021,232. Of these deposits, \$255,129 was covered by federal depository insurance. Any deposits not covered by federal depository insurance are collateralized by the State of Oregon.

**CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

3. RECEIVABLES

The details for the City's receivables at June 30, 2015 were as follows:

	Governmental Activities/Funds				Business-Type Activities/ Proprietary Funds			Totals
	General	Community Enhancement	Capital Improvement	Other Governmental Funds	Water	Sewer	Internal Service	
Accounts	\$ -	\$ -	\$ -	\$ -	\$ 607,193	\$ 842,099	\$ -	\$ 1,449,292
System Development Charges	-	-	-	-	-	80,602	-	80,602
Business Licenses	23,495	-	-	-	-	-	-	23,495
State Revenue Sharing	31,828	-	-	-	-	-	-	31,828
Grants	22,500	467,641	-	-	-	-	-	490,141
Property Assessments	4,474	-	15,251	80,932	-	354,565	-	455,222
Property Taxes	113,631	-	-	-	-	-	-	113,631
Cash Held - County Treasurer	19,353	-	-	-	-	-	-	19,353
Interest	14,666	-	-	-	-	-	-	14,666
Other	151,435	-	-	11,179	-	2,342	-	164,956
Fines	2,753,774	-	-	-	-	-	-	2,753,774
Allowance for Doubtful Accounts	(2,639,580)	-	-	-	(11,231)	(22,194)	-	(2,673,005)
Total	\$ 495,576	\$ 467,641	\$ 15,251	\$ 92,111	\$ 595,962	\$ 1,257,414	\$ -	\$ 2,923,955

**CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

4. CAPITAL ASSETS

Changes in capital assets of the governmental activities for the year ended June 30, 2015 are as follows:

	June 30, 2014	Additions	Retirements	June 30, 2015
Capital Assets Not Being Depreciated:				
Land	\$ 2,022,019	\$ -	\$ -	\$ 2,022,019
Right-Of-Way	5,259,111	-	-	5,259,111
Library Collection	1,297,493	48,550	-	1,346,043
Construction in Progress	501,974	181,042	(25,127)	657,889
Total	<u>9,080,597</u>	<u>229,592</u>	<u>(25,127)</u>	<u>9,285,062</u>
Depreciable Assets:				
Buildings and Improvements	4,724,445	69,800	-	4,794,245
Equipment	1,911,921	350,655	(166,288)	2,096,288
Infrastructure	6,096,434	50,966	-	6,147,400
Total	<u>12,732,800</u>	<u>471,421</u>	<u>(166,288)</u>	<u>13,037,933</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(2,420,978)	(115,789)	-	(2,536,767)
Equipment	(1,283,106)	(113,041)	78,568	(1,317,579)
Infrastructure	(1,601,643)	(184,624)	-	(1,786,267)
Total	<u>(5,305,727)</u>	<u>(413,454)</u>	<u>78,568</u>	<u>(5,640,613)</u>
Total Capital Assets Being Depreciated (Net)	<u>7,427,073</u>	<u>57,967</u>	<u>(87,720)</u>	<u>7,397,320</u>
Total Capital Assets, Governmental Activities (Net)	<u>\$ 16,507,670</u>			<u>\$ 16,682,382</u>

Governmental depreciation was allocated to the functions as follows:

General Government	\$ 3,809
Public Safety	47,200
Culture and Recreation	113,773
Highways and Streets	248,672
Total Governmental Activities	<u>\$ 413,454</u>

**CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

4. CAPITAL ASSETS (continued)

Changes in Business-Type capital assets for the year ended June 30, 2015 are as follows:

	June 30, 2014	Additions	Retirements	June 30, 2015
Capital Assets Not Being Depreciated:				
Land	\$ 1,006,535	\$ -	\$ -	\$ 1,006,535
Construction In Progress	3,285,311	367,574	(2,448,656)	1,204,229
Total	4,291,846	367,574	(2,448,656)	2,210,764
Depreciable Assets:				
Buildings and Improvements	25,775,491	3,209,832	-	28,985,323
Equipment	7,926,479	6,515	(80,000)	7,852,994
Infrastructure	15,697,753	462,370	-	16,160,123
Total	49,399,723	3,678,717	(80,000)	52,998,440
Less Accumulated Depreciation:				
Buildings and Improvements	(9,177,529)	(830,279)	-	(10,007,808)
Equipment	(4,009,612)	(257,151)	42,708	(4,224,055)
Infrastructure	(7,970,084)	(308,705)	-	(8,278,789)
Total	(21,157,225)	(1,396,135)	42,708	(22,510,652)
Total Capital Assets Being Depreciated (Net)	28,242,498	2,282,582	(37,292)	30,487,788
Total Net Capital Assets				
Business-Type Activities	<u>\$ 32,534,344</u>			<u>\$ 32,698,552</u>

Depreciation expense for business-type activities is charged to the functions and programs as follows:

Water	\$ 755,912
Sewer	632,096
Internal Service Fund	8,127
Total Business-Type Activities	<u>\$ 1,396,135</u>

**CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

5. DEFERRED INFLOWS

The Statement of Net Position reports deferred inflows related to pensions of \$1,167,712 and \$989,326 for the governmental and business-type activities respectively. These amounts represent increases to the City's pension obligations based on new data that has become available since the actuarial valuation was performed.

The governmental funds only recognize revenue that is available within 60 days. Revenues that have been accrued as receivables but that are not available in that timeframe are considered to be unearned, and are classified as deferred inflows – unavailable revenue on the governmental funds balance sheet.

The General Fund had unavailable revenue totaling \$255,794, which consisted of \$113,631, \$137,689, and \$4,474 of property taxes, court fines, and unbounded assessments respectively. The Capital Improvement Fund had unavailable revenue of \$15,251, which represented unavailable system development charges. Finally, the Other Governmental Funds had \$80,930 of unavailable revenue related to community development block grants.

6. DEFINED BENEFIT PENSION PLAN

Plan Description – The Oregon Public Employees Retirement System (PERS) consists of a single cost-sharing multiple-employer defined benefit plan. All benefits of the system are established by the legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A. Oregon PERS produces an independently audited Comprehensive Annual Financial Report which can be found at:

http://www.oregon.gov/pers/Pages/section/financial_reports/financials.aspx.

If the link is expired please contact Oregon PERS for this information.

- a. **PERS Pension (Chapter 238).** The ORS Chapter 238 Defined Benefit Plan is closed to new members hired on or after August 29, 2003.
- i. **Pension Benefits.** The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0 percent for police and fire employees, and 1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefits results.
- ii. **Death Benefits.** Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided on or more of the following contributions are met:
- member was employed by PERS employer at the time of death,
 - member died within 120 days after termination of PERS covered employment,
 - member died as a result of injury sustained while employed in a PERS-covered job, or
 - member was on an official leave of absence from a PERS-covered job at the time of death.
- iii. **Disability Benefits.** A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.

**CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

6. DEFINED BENEFIT PENSION PLAN (continued)

iv. **Benefit Changes After Retirement.** Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value equity investments. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes. The cap on the COLA will vary based on the amount of the annual benefit.

b. **OPSRP Pension Program (OPSRP DB).** The ORS Chapter 238A Defined Benefit Pension Program provides benefits to members hired on or after August 29, 2003.

i. **Pension Benefits.** This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:

Police and fire: 1.8 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement.

General service: 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit.

A member of the pension program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.

ii. **Death Benefits.** Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50 percent of the pension that would otherwise have been paid to the deceased member.

iii. **Disability Benefits.** A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.

iv. **Benefit Changes After Retirement.** Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes. The cap on the COLA will vary based on the amount of the annual benefit.

Contributions – PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. The funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2011 actuarial valuation, which became effective July 1, 2013. The state of Oregon and certain schools, community colleges, and political subdivision have made unfunded actuarial liability payments and their rates have been reduced. Employer contributions for the year ended June 30, 2015 were \$693,888, excluding amounts to fund employer specific liabilities. In addition approximately \$238,436 in employee contributions were paid or picked up by the City in fiscal 2015.

At June 30, 2015, the City reported a net pension asset of \$1,497,881 for its proportionate share of the net pension asset. The pension asset was measured as of December 31, 2012, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of

**CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

6. DEFINED BENEFIT PENSION PLAN (continued)

contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2012, the City's proportion was .066 percent.

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ -	\$ -
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	2,890,304
Changes in proportion and differences between City contributions and proportionate share of contributions	39,378	-
City contributions subsequent to measurement date	693,888	-
Net deferred outflow (inflow) of resources		\$ (2,157,038)

Amounts reported as deferred outflows or inflow of resources related to pension will be recognized in pension expense as follows:

Year ending June 30,	Amount
2016	\$ (714,015)
2017	(714,015)
2018	(714,015)
2019	(714,015)
2020	5,134
Total	\$ (2,850,926)

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated July 29, 2015. Oregon PERS produces an independently audited CAFR which can be found at:

http://www.oregon.gov/pers/Pages/section/financial_reports/financial.aspx.

Actuarial Valuations – The employer contribution rates effective July 1, 2013 through June 30, 2015, were set using the entry age normal actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (estimated amount necessary to finance benefits earned by employees during the current service year), (2) an amount for the amortization unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial liabilities being amortized over 20 years.

For the OPSRP Pension Program component of the PERS Defined Benefit Plan, this method produced an employer rate consisting of (a) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (b) an actuarially determined amount for funding a disability benefit component, and (c) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 16 years.

**CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

6. DEFINED BENEFIT PENSION PLAN (continued)

Actuarial Methods and Assumptions:

Valuation Date	December 31, 2012 rolled forward to June 30, 2014
Experience Study Report	2012, Published September 18, 2013
Actuarial cost method	Entry Age Normal
Amortization method	Amortized as a level percentage of payroll as layered amortization bases over a closed period; Tier One/Tier Two UAL is amortized over 20 years and OPSRP pension UAL is amortized over 16 years
Asset valuation method	Market value of assets
Inflation rate	2.75 percent
Investment rate of return	7.75 percent
Projected salary increase	3.75 percent overall payroll growth; salaries for individuals are assumed to grow at 3.75 percent plus assumed rates of merit/longevity increases based on service
Mortality	Healthy retirees and beneficiaries: RP-2000 Sex-distinct, generational per Scale AA, with collar adjustments and set-backs as described in the valuation. Active members: Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation. Disabled retirees: Mortality rates are a percentage (65% for males and 90% for females) of the RP-2000 static combined disabled mortality sex-distinct table.

Actuarial valuations of an ongoing plan involve estimates of value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The method and assumptions shown are based on the 2012 Experience Study which is reviewed for the four-year period ending December 31, 2012.

Discount Rate – The discount rate used to measure the total pension liability was 7.75 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from the plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City’s proportionate share of the net pension liability to changes in the discount rate – The following presents the City’s proportionate share of the net pension liability calculated using the discount rate of 7.75 percent, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75 percent) or 1-percentage-point higher (8.75 percent) than the current rate.

**CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

6. DEFINED BENEFIT PENSION PLAN (continued)

	Decrease (6.75%)	Rate (7.75%)	Increase (8.75%)
City's the net pension liability	\$ 3,171,972	\$ (1,497,881)	\$ (5,447,482)

Changes in Plan Provisions Subsequent to Measurement Date: The Oregon Supreme Court on April 30, 2015, ruled in the Moro decision, that the provisions of Senate Bill 861, signed into law in October 2013, that limited the post-retirement COLA on benefits accrued prior to the signing of the law were unconstitutional. Benefits could be modified prospectively, but not retrospectively. As a result, those who retired before the bills were passed will continue to receive a COLA tied to the Consumer Price Index that normally results in a 2% increase annually. PERS will make restoration payments to those benefit recipients. PERS members who have accrued benefits before and after the effective dates of the 2013 legislation will have a blended COLA rate when they retire. Oregon Public Employees Retirement System Notes to the Schedules of Employer Allocations and Pension Amounts by Employer As of and for the Fiscal Year Ended June 30, 2014. This is a change in benefit terms subsequent to the measurement date of June 30, 2014, which will be reflected in the next year's actuarial valuations. The impact of the Moro decision on the total pension liability and employer's net pension liability (asset) has not been fully determined. However, PERS' third-party actuaries have estimated the impact of the Moro decision under one possible methodology, which is summarized below (dollars in millions). Estimates have been rounded to the nearest \$10 million.

	June 30, 2014 Measurement Date	
	Before Moro Decision	Estimate After Moro Decision
Net pension liability	\$ 63,135	\$ 68,050
Total pension liability	65,402	65,400
Fiduciary net position	-2,267	2,650
Net pension liability (asset)	-2,267	2,650

Additional disclosures related to Oregon PERS not applicable to specific employers are available online at the below website, or by contacting PERS at the following address: PO BOX 23700 Tigard, OR 97281-3700.

http://www.oregon.gov/pers/EMP/docs/er_general_information/opers_gasb_68_disclosure_information_revised.pdf

**CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

7. LONG-TERM DEBT

Long term debt for governmental activities changed as follows for the year ended June 30, 2015:

Debt Item	Balance July 1, 2014	Additions	Reductions	Balance June 30, 2015	Balance Due Within One Year
Compensated Absences	\$ 200,169	\$ 224,602	\$ (200,169)	\$ 224,602	\$ 224,602
Note Payable	-	1,000,000	-	1,000,000	82,854
Total Long-Term Debt	\$ 200,169	\$ 1,224,602	\$ (200,169)	\$ 1,224,602	\$ 307,456

Details of governmental loans payable are as follows:

In June of 2015, the City signed a Financing Agreement in the amount of \$1,000,000 with Columbia Bank for the purpose of purchasing real property. The loan bears interest at 4.38% annually and is scheduled to be paid off in 2025. Future maturities are as follows:

	Principal	Interest
2015-2016	\$ 82,854	\$ 41,896
2016-2017	84,949	39,800
2017-2018	88,764	35,986
2018-2019	92,749	32,000
2019-2020	96,840	27,908
2020-2025	553,844	69,903
	<u>\$ 1,000,000</u>	<u>\$ 247,493</u>

Long term debt for business-type activities changed as follows for the year ended June 30, 2015:

Debt Item	Balance July 1, 2014	Issued	Matured and Redeemed	Balance June 30, 2015	Balance Due Within One Year
DEQ Loan (R80160)	\$ 41,043	\$ -	\$ (41,043)	\$ -	\$ -
DEQ Loan (R06801)	1,750,000	-	(100,000)	1,650,000	100,000
DEQ Loan (R80162)	522,377	-	(56,607)	465,770	114,276
DEQ Loan (R80163)	2,877,003	347,211	-	3,224,214	-
Capital One - Water Refunding Note	5,907,000	-	(367,000)	5,540,000	377,000
Capital One - Sewer Refunding Note	1,777,000	-	(133,000)	1,644,000	136,000
Total Loans Payable	\$ 12,874,423	\$ 347,211	\$ (697,650)	\$ 12,523,984	\$ 727,276
Compensated Absences	154,570	169,650	(154,570)	169,650	169,650
Total Long-Term Debt	\$ 12,995,538	\$ 516,861	\$ (852,220)	\$ 12,693,634	\$ 896,926

**CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

7. LONG-TERM DEBT (continued)

Details for business-type loans payable as of June 30, 2015 were as follows:

State of Oregon Department of Environmental Quality (Loan R06801)

This is an interest free loan. The City makes principal payments of \$50,000 on a semi-annual basis. Net operating revenues of the sewer system have been pledged.

State of Oregon Department of Environmental Quality (Loan R80162)

The City continues to draw down on this construction loan, which has been authorized for a maximum amount of \$550,000. Payments began in 2014 and will be due in semi-annual installments, including principal and 1.25% interest. Net operating revenues of the sewer system have been pledged.

State of Oregon Department of Environmental Quality (Loan R80163)

The City continues to draw down on this construction loan, which has been authorized for an amount up to a maximum of \$4,559,700. Payments are projected to start in September, 2016 and will be due in semi-annual installments, including principal and 2.83% interest. Net operating revenues of the sewer system have been pledged.

Capital One – Water Refunding Note

In June of 2013, the City signed an agreement with Capital One for \$6,142,000 to refund OECDD Loans G04004 and S04004. Principal payments are due annually on December 1. Interest is due semi-annually on June 1 and accrues at a rate of 2.35%. Payments are scheduled through December 1, 2029. Net operating revenues of the water system have been pledged.

Capital One – Sewer Refunding Note

In June of 2013, the City signed an agreement with Capital One for \$1,912,000 to refund DEQ Loan R80161. Principal payments are due annually on December 1. Interest is due semi-annually on June 1 and accrues at a rate of 2.35%. Payments are scheduled through December 1, 2025. Net operating revenues of the sewer system have been pledged.

**CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

7. LONG-TERM DEBT (continued)

Future maturities of business-type debt are as follows:

Fiscal Year	DEQ R06801		DEQ R80162		DEQ R80163*	
	Principal	Interest	Principal	Interest	Principal	Interest
2015-2016	\$ 100,000	\$ -	\$ 114,276	\$ 5,466	\$ -	\$ -
2016-2017	100,000	-	115,709	4,033	88,412	385,120
2017-2018	100,000	-	117,159	2,583	180,595	125,269
2018-2019	100,000	-	118,626	1,113	185,743	120,121
2019-2020	100,000	-	-	-	191,036	114,828
2020-2025	500,000	-	-	-	1,040,018	489,302
2025-2030	500,000	-	-	-	1,196,914	332,406
2030-2035	150,000	-	-	-	1,377,478	151,842
2035-2036	-	-	-	-	(1,035,982)	6,372
Total	\$ 1,650,000	\$ -	\$ 465,770	\$ 13,195	\$ 3,224,214	\$1,725,260

Fiscal Year	Capital One - Water		Capital One - Sewer		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2015-2016	\$ 377,000	\$ 125,761	\$ 136,000	\$ 37,036	\$ 727,276	\$ 168,263
2016-2017	382,000	116,843	138,000	33,817	824,121	539,813
2017-2018	392,000	107,748	141,000	30,539	930,754	266,139
2018-2019	401,000	98,430	144,000	27,190	949,369	246,854
2019-2020	410,000	88,901	146,000	23,782	847,036	227,511
2020-2025	2,208,000	293,116	775,000	65,508	4,523,018	847,926
2025-2030	1,370,000	69,510	164,000	1,925	3,230,914	403,841
2030-2035	-	-	-	-	1,527,478	151,842
2035-2036	-	-	-	-	(1,035,982)	6,372
Total	\$ 5,540,000	\$ 900,309	\$1,644,000	\$ 219,797	\$ 12,523,984	\$2,858,561

* This is an estimated amortization schedule. New schedule will be issued after loan is finalized.

Debt Covenants

Net operating revenues, defined as gross operating revenue less operating expenses of the facility, are irrevocably pledged for payment of certain loan obligations. Net operating revenues of the Sewer Fund are pledged to the Oregon Department of Environmental Quality (ODEQ) loans (of which R80163 is not currently in re-payment).

The ODEQ requires the City to maintain sewer rates and fees sufficient to generate net operating revenues in each fiscal year of at least 105% of the debt service requirement for the fiscal year. Net operating revenue for the current fiscal year was \$999,478, while 105% of the debt service requirement was \$411,211. Additionally, ODEQ requires the City to document and maintain a reserve for debt service. At June 30, 2015, the reserve requirement for the Sewer Fund was \$337,334. The City presents this amount as restricted net position.

**CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

7. LONG-TERM DEBT (continued)

The Capital One loans are backed by the full faith and credit of the City and require a debt ratio of 1.1 for the Water and Sewer Funds. At June 30, 2015, the Water Fund had a debt ratio of 1.98 and the Sewer Fund had a debt ratio of 3.67.

8. INTERFUND BALANCES AND TRANSFERS

Interfund Loan (Long Term):

In June of 2014, the City Council approved a capital loan for \$350,000 from the Water Fund to the Community Enhancement Fund (Other Governmental Fund). The purpose of the loan was to finance the assessment, design and potential development of the Boise property. The loan is scheduled to be paid back over a period of five years and bears interest at a rate of 0.5%, equal to the rate of return on moneys invested in the Local Government Investment Pool at the time of approval. The loan is scheduled to be paid off with a lump sum payment of principal plus accrued interest in fiscal year 2017-2018. The City Administrator is authorized to revise the repayment schedule, so long as the repayment term does not exceed ten years from the date that the loan was made. Interest of \$2,796 has accrued as of June 30, 2015.

Interfund transfers during the year ended June 30, 2015 were as follows:

Governmental Funds	Transfers	
	In	Out
General	\$ 19,000	\$ 267,740
Street	-	137,500
Community Enhancement	2,070,340	2,421
Capital Improvement	2,073,421	
Other	-	19,000
<u>Proprietary Funds</u>		
Water	-	2,465,000
Sewer	-	1,302,500
Internal Service	31,400	-
Total Transfers	\$ 4,194,161	\$ 4,194,161

Transfers were used to fund operations between funds.

**CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

9. CAPITAL CONTRIBUTIONS

In certain cases, the governmental and proprietary funds will receive resources or pay costs for each other. When this happens, the transaction must be recorded as a capital contribution in the government-wide statements so that the resources are allocated correctly between the governmental and business-type activities. During 2014-2015, the Capital Improvement Fund spent \$571,576 and \$1,026,059 respectively for capital assets in the Water and Sewer Fund. In addition, the Sewer Fund paid for \$101,221 of general government capital assets. The Capital Improvement Fund also received \$52,573 of lien payments and \$347,211 of long term debt proceeds on behalf of the Sewer Fund. On the Statement of Activities, these transactions resulted in a net capital contribution to the Business-Type Activities of \$1,096,630.

10. PROPERTY TAX LIMITATIONS

The State of Oregon has a constitutional limit on property taxes for schools and nonschool government operations. The limitation provides that property taxes for nonschool operations are limited to \$10.00 for each \$1,000 of property market value. This limitation does not apply to taxes levied for principal and interest on general obligation bonded debt.

An additional limit reduces the amount of operating property tax revenues available to the City for its 1997-98 fiscal year, and thereafter. This reduction was accomplished by rolling property values back to their 1995-96 values less 10% and limiting future tax value growth of each property to no more than 3% per year, subject to certain exceptions. Taxes levied to support bonded debt are exempted from the reductions. The Constitution also sets restrictive voter approval requirements for most tax and many fee increases and new bond issues.

11. CONTINGENCIES – EARNED SICK LEAVE

Portions of accumulated sick leave at any point in time can be expected to be redeemed before termination of employment; however, such redemptions cannot be reasonably estimated. As of June 30, 2015, City employees had accumulated 2,386 days of sick leave. Additionally, eligible retirees of the City are allowed to request to have accumulated sick leave up to 960 hours deposited into their Voluntary Employee Benefit Association (VEBA) account. As of June 30, 2015 \$174,876 of sick leave has been earned by eligible retirees and could be converted to their VEBA account upon retirement.

12. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Commercial insurance is purchased to minimize its exposure to these risks. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

13. RESTATEMENT OF BEGINNING NET POSITION

Net Position as of July 1, 2014 has been restated due to the City's adoption of GASB 68, *Accounting and Financial Reporting for Pensions*. The details of the restatement are as follows:

	<u>Governmental</u>	<u>Water</u>	<u>Sewer</u>	<u>Total Business Type</u>
Net Position as Previously Reported	\$ 25,739,239	\$ 12,953,219	\$ 13,257,391	\$ 26,210,610
Proportionate Share of Net Pension Liability	(1,825,697)	(580,158)	(966,521)	(1,546,679)
Net Deferred Outflow/(Inflow)	369,069	117,290	195,399	312,689
Restated Net Position	<u>\$ 24,282,611</u>	<u>\$ 12,490,351</u>	<u>\$ 12,486,269</u>	<u>\$ 24,976,620</u>

CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION

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**CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON**

**REQUIRED SUPPLEMENTARY INFORMATION
For the fiscal year ended June 30, 2015**

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Year Ended June 30,	(a) Employer's proportion of the net pension liability (NPL)	(b) Employer's proportionate share of the net pension liability (NPL)	(c) City's covered payroll	(b/c) NPL as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2015	0.07 %	\$ (1,497,881)	\$ 3,973,045	(37.7) %	103.6 %
2014	0.07	3,372,241	3,874,533	87.0	92.0

The amounts presented for each fiscal year were actuarial determined at 12/31 and rolled forward to the measurement date.

These schedules are presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

SCHEDULE OF CONTRIBUTIONS

	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a percent of covered payroll
2015	\$ 693,888	\$ 693,888	\$ -	\$ 3,973,045	17.5 %
2014	681,758	681,758	-	3,874,533	17.6

The amounts presented for each fiscal year were actuarial determined at 12/31 and rolled forward to the measurement date.

These schedules are presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

**CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2015**

	<u>GENERAL FUND</u>			VARIANCE
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	POSITIVE (NEGATIVE)
REVENUES				
Property Taxes	\$ 1,534,890	\$ 1,534,890	\$ 1,592,730	\$ 57,840
Franchise Fees	1,479,500	1,479,500	1,456,504	(22,996)
Licenses and Permits	334,290	334,290	334,342	52
Fines and Forfeitures	211,040	211,040	217,258	6,218
Intergovernmental	396,520	396,520	393,295	(3,225)
Interest	10,310	10,310	12,827	2,517
Miscellaneous	100,510	100,510	129,193	28,683
Total Revenues	<u>4,067,060</u>	<u>4,067,060</u>	<u>4,136,149</u>	<u>69,089</u>
EXPENDITURES				
Mayor and City Council				
Personal Services	32,350	32,350	32,335	15
Materials and Services	32,060	32,060	27,450	4,610
Total Mayor and City Council	<u>64,410</u>	<u>64,410</u>	<u>(1) 59,785</u>	<u>4,625</u>
Municipal Court				
Personal Services	164,650	164,650	146,789	17,861
Materials and Services	184,770	184,770	170,954	13,816
Total Municipal Court	<u>349,420</u>	<u>349,420</u>	<u>(1) 317,743</u>	<u>31,677</u>
Planning				
Personal Services	99,990	150,430	148,744	1,686
Materials and Services	42,560	99,560	88,429	11,131
Special Payments	36,000	36,000	25,212	10,788
Total Planning	<u>178,550</u>	<u>285,990</u>	<u>(1) 262,385</u>	<u>23,605</u>
Building				
Personal Services	150,610	150,610	52,786	97,824
Materials and Services	49,810	49,810	89,668	(39,858)
Total Building	<u>200,420</u>	<u>200,420</u>	<u>(1) 142,454</u>	<u>57,966</u>
Police				
Personal Services	1,968,400	2,008,150	1,915,440	92,710
Materials and Services	423,530	434,530	408,053	26,477
Total Police	<u>2,391,930</u>	<u>2,442,680</u>	<u>(1) 2,323,493</u>	<u>119,187</u>
Library				
Personal Services	377,460	380,950	373,854	7,096
Materials and Services	166,740	166,740	164,250	2,490
Total Library	<u>544,200</u>	<u>547,690</u>	<u>(1) 538,104</u>	<u>9,586</u>
Parks				
Personal Services	103,600	103,600	101,485	2,115
Materials and Services	129,650	129,650	116,854	12,796
Total Parks	<u>233,250</u>	<u>233,250</u>	<u>(1) 218,339</u>	<u>14,911</u>
Non-Departmental				
Personal Services	26,520	26,520	(1) 18,447	8,073
Materials and Services	39,640	44,640	(1) 42,161	2,479
Total Non-Departmental	<u>66,160</u>	<u>71,160</u>	<u>60,608</u>	<u>10,552</u>
Contingency				
Contingency	805,700	565,480	(1) -	565,480
Total Expenditures	<u>4,834,040</u>	<u>4,760,500</u>	<u>3,922,911</u>	<u>837,589</u>
Excess, (Deficit) of Revenues Over, (Under)				
Expenditures	(766,980)	(693,440)	213,238	906,678
OTHER FINANCING SOURCES, (USES)				
Transfers In	19,000	19,000	19,000	-
Transfers Out	(194,200)	(267,740)	(1) (267,740)	-
Total Other Financing Sources, (Uses)	<u>(175,200)</u>	<u>(248,740)</u>	<u>(248,740)</u>	<u>-</u>
Net Change in Fund Balance	(942,180)	(942,180)	(35,502)	906,678
Beginning Fund Balance	1,329,438	1,329,438	1,828,297	498,859
Ending Fund Balance	<u>\$ 387,258</u>	<u>\$ 387,258</u>	<u>\$ 1,792,795</u>	<u>\$ 1,405,537</u>

(1) Appropriation Level

**CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2015**

	<u>STREET FUND</u>			VARIANCE POSITIVE (NEGATIVE)
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
REVENUES				
Intergovernmental	\$ 784,000	\$ 784,000	\$ 736,027	\$ (47,973)
Interest	12,000	12,000	9,841	(2,159)
Miscellaneous	3,000	3,000	1,821	(1,179)
Total Revenues	<u>799,000</u>	<u>799,000</u>	<u>747,689</u>	<u>(51,311)</u>
EXPENDITURES				
Personal Services	319,740	319,740	311,689	8,051
Materials and Services	461,510	461,510	327,798	133,712
Total Streets	<u>781,250</u>	<u>781,250</u> (2)	<u>639,487</u>	<u>141,763</u>
Contingency	<u>100,000</u>	<u>100,000</u> (1)	<u>-</u>	<u>100,000</u>
Total Expenditures	<u>881,250</u>	<u>881,250</u>	<u>639,487</u>	<u>241,763</u>
Excess, (Deficit) of Revenues Over (Under) Expenditures	(82,250)	(82,250)	108,202	190,452
OTHER FINANCING SOURCES, (USES)				
Transfers Out	<u>(137,500)</u>	<u>(137,500)</u> (2)	<u>(137,500)</u>	<u>-</u>
Total Other Financing Sources, (Uses)	(137,500)	(137,500)	(137,500)	-
Net Change in Fund Balance	(219,750)	(219,750)	(29,298)	190,452
Beginning Fund Balance	<u>538,502</u>	<u>538,502</u>	<u>630,182</u>	<u>91,680</u>
Ending Fund Balance	<u>\$ 318,752</u>	<u>\$ 318,752</u>	<u>\$ 600,884</u>	<u>\$ 282,132</u>

(1) Appropriation Level

(1) Combined appropriation of \$918,750

**CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2015**

COMMUNITY ENHANCEMENT FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Intergovernmental	\$ 1,061,810	\$ 1,530,310	\$ 508,876	\$ (1,021,434)
Interest	1,800	1,800	1,141	(659)
Miscellaneous	15,180	50,180	27,489	(22,691)
Total Revenues	<u>1,078,790</u>	<u>1,582,290</u>	<u>537,506</u>	<u>(1,044,784)</u>
EXPENDITURES				
Public Arts	63,550	63,550 (1)	28,215	35,335
Library Improvements - Building	79,620	79,620 (1)	53,436	26,184
Library Improvements - Equipment	2,000	2,000 (1)	1,150	850
Parks Improvements	79,800	51,800 (1)	-	51,800
PEG Access	21,250	21,250 (1)	5,540	15,710
Grants	20,150	498,650 (1)	462,479	36,171
Police	6,500	36,500 (1)	15,194	21,306
Library	3,600	3,600 (1)	-	3,600
Economic development	4,000,000	4,000,000 (2)	131,817	3,868,183
LSTA	59,890	59,890 (1)	57,291	2,599
Contingency	20,000	20,000 (1)	-	20,000
Total Expenditures	<u>4,356,360</u>	<u>4,836,860</u>	<u>755,122</u>	<u>4,081,738</u>
Excess, (Deficit) of Revenues Over, (Under) Expenditures	(3,277,570)	(3,254,570)	(217,616)	3,036,954
OTHER FINANCING SOURCES, (USES)				
Loan Proceeds	-	-	1,000,000	1,000,000
Transfers In	3,003,863	3,010,953	2,070,340	(940,613)
Transfers Out	-	(28,000) (2)	(2,421)	25,579
Total Other Financing Sources, -Uses	<u>3,003,863</u>	<u>2,982,953</u>	<u>3,067,919</u>	<u>84,966</u>
Net Change in Fund Balance	(273,707)	(271,617)	2,850,303	3,121,920
Beginning Fund Balance	<u>464,244</u>	<u>464,244</u>	<u>463,343</u>	<u>(901)</u>
Ending Fund Balance	<u>\$ 190,537</u>	<u>\$ 192,627</u>	<u>\$ 3,313,646</u>	<u>\$ 3,121,019</u>

(1) Appropriation Level

(2) Transfers combined with Economic Development for appropriation purposes

CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON

SUPPLEMENTARY INFORMATION

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**CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2015**

<u>CAPITAL IMPROVEMENT FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Intergovernmental	\$ 341,000	\$ 384,300	\$ 36,223	\$ (348,077)
System Development Charges	180,000	180,000	412,016	232,016
Miscellaneous	-	27,430	-	(27,430)
Total Revenues	<u>521,000</u>	<u>591,730</u>	<u>448,239</u>	<u>(143,491)</u>
EXPENDITURES				
Capital Outlay	6,012,000	6,134,040 (1)	1,940,805	4,193,235
Contingency	540,000	522,190 (1)	-	522,190
Total Expenditures	<u>6,552,000</u>	<u>6,656,230</u>	<u>1,940,805</u>	<u>4,715,425</u>
Excess, (Deficit) of Revenues Over (Under) Expenditures	(6,031,000)	(6,064,500)	(1,492,566)	4,571,934
OTHER FINANCING SOURCES, (USES)				
Loan Proceeds	550,000	550,000	347,211	(202,789)
Transfers In	2,066,000	2,099,500	2,073,421	(26,079)
Total Other Financing Sources, (Uses)	<u>2,616,000</u>	<u>2,649,500</u>	<u>2,420,632</u>	<u>(228,868)</u>
Net Change in Fund Balance	(3,415,000)	(3,415,000)	928,066	4,343,066
Beginning Fund Balance	<u>5,765,708</u>	<u>5,765,708</u>	<u>6,330,602</u>	<u>564,894</u>
Ending Fund Balance	<u>\$ 2,350,708</u>	<u>\$ 2,350,708</u>	<u>\$ 7,258,668</u>	<u>\$ 4,907,960</u>

(1) Appropriation Level

**CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON**

**COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
June 30, 2015**

	<u>ST. HELENS VISITORS AND TOURISM</u>	<u>COMMUNITY DEVELOPMENT</u>	<u>TOTAL</u>
ASSETS			
Cash and Investments	\$ 154,879	\$ -	\$ 154,879
Accounts Receivable	11,179	80,932	92,111
Total Assets	<u>\$ 166,058</u>	<u>\$ 80,932</u>	<u>\$ 246,990</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES			
Liabilities:			
Accounts Payable and Accrued Liabilities	\$ 1,227	\$ -	\$ 1,227
Total Liabilities	<u>1,227</u>	<u>-</u>	<u>1,227</u>
Deferred Inflows:			
Unavailable Revenue	<u>-</u>	<u>80,932</u>	<u>80,932</u>
Fund Balances:			
Restricted For:			
Tourism	164,831	-	164,831
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>164,831</u>	<u>-</u>	<u>164,831</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 166,058</u>	<u>\$ 80,932</u>	<u>\$ 246,990</u>

**CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - NON-MAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2015**

	ST. HELENS VISITORS AND TOURISM	COMMUNITY DEVELOPMENT	TOTAL
REVENUES			
Transient Room Tax	\$ 110,671	\$ -	\$ 110,671
Intergovernmental	-	7,031	7,031
Miscellaneous	18,773	15,354	34,127
Total Revenues	<u>129,444</u>	<u>22,385</u>	<u>151,829</u>
EXPENDITURES			
Current:			
Visitor and Tourism	176,111	-	176,111
Community Block Grants	-	22,385	22,385
Total Expenditures	<u>176,111</u>	<u>22,385</u>	<u>198,496</u>
Excess of Revenues Over, -Under Expenditures	(46,667)	-	(46,667)
Other Financing Sources, (Uses)			
Transfers Out	(19,000)	-	(19,000)
Total Other Financing Sources, (Uses)	<u>(19,000)</u>	<u>-</u>	<u>(19,000)</u>
Net Change in Fund Balance	(65,667)	-	(65,667)
Beginning Fund Balance	<u>230,498</u>	<u>-</u>	<u>230,498</u>
Ending Fund Balance	<u>\$ 164,831</u>	<u>\$ -</u>	<u>\$ 164,831</u>

**CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2015**

ST. HELENS VISITORS AND TOURISM FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Transient Room Tax	\$ 80,000	\$ 80,000	\$ 110,671	\$ 30,671
Intergovernmental	40,000	40,000	-	(40,000)
Miscellaneous	79,450	79,450	18,773	(60,677)
Total Revenues	<u>199,450</u>	<u>199,450</u>	<u>129,444</u>	<u>(70,006)</u>
EXPENDITURES				
Materials and Services	196,100	196,100	176,111	19,989
Total Visitors and Tourism	<u>196,100</u>	<u>196,100</u> (2)	<u>176,111</u>	<u>19,989</u>
Contingency	25,000	25,000 (1)	-	25,000
Total Expenditures	<u>221,100</u>	<u>221,100</u>	<u>176,111</u>	<u>44,989</u>
Excess, (Deficit) of Revenues Over (Under) Expenditures	(21,650)	(21,650)	(46,667)	(25,017)
OTHER FINANCING SOURCES, -USES				
Transfers Out	(19,000)	(19,000) (2)	(19,000)	-
Net Change in Fund Balance	(40,650)	(40,650)	(65,667)	(25,017)
Beginning Fund Balance	<u>288,533</u>	<u>288,533</u>	<u>230,498</u>	<u>(58,035)</u>
Ending Fund Balance	<u>\$ 247,883</u>	<u>\$ 247,883</u>	<u>\$ 164,831</u>	<u>\$ (83,052)</u>

(1) Appropriation Level

(2) Combined total appropriation of \$215,100

**CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2015**

COMMUNITY DEVELOPMENT FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 7,031	\$ 7,031
Miscellaneous	56,830	56,830	15,354	(41,476)
Total Revenues	<u>56,830</u>	<u>56,830</u>	<u>22,385</u>	<u>(34,445)</u>
EXPENDITURES				
Materials and Services	56,830	56,830	22,385	34,445
Total Community Development	<u>56,830</u>	<u>56,830</u> (1)	<u>22,385</u>	<u>34,445</u>
Total Expenditures	<u>56,830</u>	<u>56,830</u>	<u>22,385</u>	<u>34,445</u>
Net Change in Fund Balance	-	-	-	-
Beginning Fund Balance	-	-	-	-
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(1) Appropriation Level

**CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET - BUDGETARY (NON-GAAP) BASIS
For the Year Ended June 30, 2015**

	<u>WATER FUND</u>			VARIANCE POSITIVE (NEGATIVE)
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
REVENUES				
Charges for Services	\$ 2,900,000	\$ 2,900,000	\$ 3,002,235	\$ 102,235
Interest	18,000	18,000	26,461	8,461
Miscellaneous	29,000	29,000	33,709	4,709
Total Revenues	<u>2,947,000</u>	<u>2,947,000</u>	<u>3,062,405</u>	<u>115,405</u>
EXPENDITURES				
Water Filtration Plant				
Personal Services	235,320	240,320 (2)	236,326	3,994
Materials and Services	131,680	147,780 (2)	141,771	6,009
Debt Service	503,000	503,000 (1)	501,502	1,498
Total Water Filtration Plant	<u>870,000</u>	<u>891,100</u>	<u>879,599</u>	<u>11,501</u>
Water Production/Delivery				
Personal Services	695,080	703,080	689,182	13,898
Materials and Services	1,084,020	1,084,020	972,114	111,906
Total Water Production/Delivery	<u>1,779,100</u>	<u>1,787,100 (3)</u>	<u>1,661,296</u>	<u>125,804</u>
Contingency	214,610	185,510 (1)	-	185,510
Total Expenditures	<u>2,863,710</u>	<u>2,863,710</u>	<u>2,540,895</u>	<u>322,815</u>
Excess, (Deficit) of Revenues Over, (Under) Expenditures	83,290	83,290	521,510	438,220
OTHER FINANCING SOURCES, (USES)				
Timber Revenue	1,230,000	1,230,000	964,765	(265,235)
Land Management	(75,000)	(75,000) (1)	(71,802)	3,198
Transfers Out	(2,000,000)	(2,000,000) (1)	(2,000,000)	-
Transfers Out - Production	(465,000)	(465,000) (3)	(465,000)	-
Total Other Financing Sources, (Uses)	<u>(1,310,000)</u>	<u>(1,310,000)</u>	<u>(1,572,037)</u>	<u>(262,037)</u>
Net Change in Fund Balance	(1,226,710)	(1,226,710)	(1,050,527)	176,183
Beginning Fund Balance	<u>2,665,012</u>	<u>2,665,012</u>	<u>3,179,406</u>	<u>514,394</u>
Ending Fund Balance	<u>\$ 1,438,302</u>	<u>\$ 1,438,302</u>	2,128,879	<u>\$ 690,577</u>
Reconciling Items:				
Net Capital Assets			15,216,426	
Net Pension Asset			257,694	
Net Pension Deferral			(371,095)	
Deferred Revenue			352,796	
Accrued Interest			(10,344)	
Long-Term Debt			(5,540,000)	
Compensated Absences			(61,537)	
Net Position			<u>\$ 11,972,819</u>	

(1) Appropriation Level

(2) Combined appropriation of \$388,100

(3) Combined appropriation of \$2,252,100

**CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET - BUDGETARY (NON-GAAP) BASIS
For the Year Ended June 30, 2015**

<u>SEWER FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Charges for Services	\$ 4,582,200	\$ 4,582,200	\$ 4,685,495	\$ 103,295
Interest	25,000	25,000	29,528	4,528
Miscellaneous	1,000	1,000	906	(94)
Total Revenues	<u>4,608,200</u>	<u>4,608,200</u>	<u>4,715,929</u>	<u>107,729</u>
EXPENDITURES				
Sewer Collections				
Personal Services	710,160	722,160	(2) 696,355	25,805
Materials and Services	964,410	964,410	(2) 853,225	111,185
Debt Service	676,494	676,494	(1) 391,630	284,864
Total Sewer Collections	<u>2,351,064</u>	<u>2,363,064</u>	<u>1,941,210</u>	<u>421,854</u>
Sewer Secondary				
Personal Services	178,360	185,060	181,932	3,128
Materials and Services	422,660	422,660	414,541	8,119
Total Sewer Secondary	<u>601,020</u>	<u>607,720</u>	(1) 596,473	11,247
Sewer Primary				
Personal Services	137,340	140,340	140,508	(168)
Materials and Services	226,410	226,410	185,717	40,693
Total Sewer Primary	<u>363,750</u>	<u>366,750</u>	(1) 326,225	40,525
Pumps				
Personal Services	118,580	119,980	119,128	852
Materials and Services	66,440	66,440	41,673	24,767
Total Pumps	<u>185,020</u>	<u>186,420</u>	(1) 160,801	25,619
Storm Water				
Personal Services	261,950	262,850	259,540	3,310
Materials and Services	287,670	287,670	280,336	7,334
Total Storm Water	<u>549,620</u>	<u>550,520</u>	(3) 539,876	10,644
Contingency	674,420	650,420	(1) -	650,420
Total Expenditures	<u>4,724,894</u>	<u>4,724,894</u>	<u>3,564,585</u>	<u>1,160,309</u>
Excess, (Deficit) of Revenues Over, (Under) Expenditures	<u>(116,694)</u>	<u>(116,694)</u>	<u>1,151,344</u>	<u>1,268,038</u>
OTHER FINANCING SOURCES, (USES)				
Debt Proceeds	500	500	-	(500)
Transfers Out - Collections	(305,000)	(305,000)	(2) (265,000)	40,000
Transfers Out - Storm Water	(1,037,500)	(1,037,500)	(3) (1,037,500)	-
Total Other Financing Sources, (Uses)	<u>(1,342,000)</u>	<u>(1,342,000)</u>	<u>(1,302,500)</u>	<u>39,500</u>
Net Change in Fund Balance	(1,458,694)	(1,458,694)	(151,156)	1,307,538
Beginning Fund Balance	2,716,144	2,716,144	2,926,376	210,232
Ending Fund Balance	<u>\$ 1,257,450</u>	<u>\$ 1,257,450</u>	\$ 2,775,220	<u>\$ 1,517,770</u>
Reconciling Items:				
Net Capital Assets			17,415,776	
Net Pension Asset			429,309	
Net Pension Deferral			(618,231)	
Deferred Revenue			435,166	
Accrued Interest			(207,078)	
Long-Term Debt			(6,983,984)	
Compensated Absences			(108,113)	
Net Position			<u>\$ 13,138,065</u>	

(1) Appropriation Level

(2) Combined appropriation of \$1,991,570

(3) Combined appropriation of \$1,588,020

**CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON**

**COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
June 30, 2015**

	<u>FLEET MAINTENANCE</u>	<u>ADMINISTRATIVE SERVICES</u>	<u>PUBLIC WORKS</u>	<u>TOTAL</u>
ASSETS				
Current:				
Cash and Investments	\$ 33,590	\$ 154,835	\$ 8,492	\$ 196,917
Inventories	9,444	-	-	9,444
Total Current Assets	<u>43,034</u>	<u>154,835</u>	<u>8,492</u>	<u>206,361</u>
Capital Assets, (Net)	<u>66,350</u>	-	-	<u>66,350</u>
Total Assets	<u>\$ 109,384</u>	<u>\$ 154,835</u>	<u>\$ 8,492</u>	<u>\$ 272,711</u>
LIABILITIES AND NET POSITION				
Liabilities:				
Accounts Payable and Accrued Liabilities	\$ 4,076	\$ 20,884	\$ 8,492	\$ 33,452
Total Liabilities	<u>4,076</u>	<u>20,884</u>	<u>8,492</u>	<u>33,452</u>
Net Position:				
Net Investment in Capital Assets	66,350	-	-	66,350
Unrestricted	<u>38,958</u>	<u>133,951</u>	<u>-</u>	<u>172,909</u>
Total Net Position	<u>105,308</u>	<u>133,951</u>	<u>-</u>	<u>239,259</u>
Total Liabilities and Net Position	<u>\$ 109,384</u>	<u>\$ 154,835</u>	<u>\$ 8,492</u>	<u>\$ 272,711</u>

**CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN NET POSITION - INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2015**

	<u>FLEET MAINTENANCE</u>	<u>ADMINISTRATIVE SERVICES</u>	<u>PUBLIC WORKS</u>	<u>TOTAL</u>
OPERATING REVENUES				
Internal Charges	\$ 250,000	\$ 1,203,690	\$ 234,272	\$ 1,687,962
Charges for Services	-	-	7,805	7,805
Total Revenues	<u>250,000</u>	<u>1,203,690</u>	<u>242,077</u>	<u>1,695,767</u>
OPERATING EXPENDITURES				
Personal Services	193,724	877,950	27,497	1,099,171
Materials and Services	73,589	345,017	216,105	634,711
Depreciation	8,127	-	-	8,127
Total Expenditures	<u>275,440</u>	<u>1,222,967</u>	<u>243,602</u>	<u>1,742,009</u>
Operating Income, (Loss)	(25,440)	(19,277)	(1,525)	(46,242)
NONOPERATING REVENUES, (EXPENDITURES)				
Miscellaneous	-	26,624	-	26,624
Income Before Transfers	<u>(25,440)</u>	<u>7,347</u>	<u>(1,525)</u>	<u>(19,618)</u>
TRANSFERS				
Transfers	-	31,400	-	31,400
Change in Net Position	(25,440)	38,747	(1,525)	11,782
Beginning Net Position	<u>130,748</u>	<u>95,204</u>	<u>1,525</u>	<u>227,477</u>
Ending Net Position	<u>\$ 105,308</u>	<u>\$ 133,951</u>	<u>\$ -</u>	<u>\$ 239,259</u>

CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2015

	FLEET MAINTENANCE	ADMINISTRATIVE SERVICES	PUBLIC WORKS	TOTAL
Cash Flows from Operating Activities:				
Cash Received from Customers	\$ 250,000	\$ 1,203,690	\$ 242,522	\$ 1,696,212
Cash Paid to Suppliers	(78,148)	(332,494)	(210,788)	(621,430)
Cash Paid to Employees	(193,724)	(877,950)	(27,497)	(1,099,171)
Net Cash Provided -Used by Operating Activities	<u>(21,872)</u>	<u>(6,754)</u>	<u>4,237</u>	<u>(24,389)</u>
Cash Flows from Noncapital Financing Activities:				
Transfers	-	31,400	-	31,400
Miscellaneous Revenues/Expenditures	-	26,624	-	26,624
Net Cash Provided -Used by Noncapital Financing Activities	<u>-</u>	<u>58,024</u>	<u>-</u>	<u>58,024</u>
Net Increase -Decrease in Cash and Cash Equivalents	(21,872)	51,270	4,237	33,635
Cash and Investments at Beginning of Year	<u>55,462</u>	<u>103,565</u>	<u>4,255</u>	<u>163,282</u>
Cash and Investments at End of Year	<u>\$ 33,590</u>	<u>\$ 154,835</u>	<u>\$ 8,492</u>	<u>\$ 196,917</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities				
Operating Income, -Loss	\$ (25,440)	\$ (19,277)	\$ (1,525)	\$ (46,242)
Noncash Items Included in Income:				
Depreciation	8,127	-	-	8,127
Decrease -Increase in Accounts Receivable	-	-	445	445
Decrease -Increase in Inventory	(255)	-	-	(255)
Increase -Decrease in Accounts Payable and Accrued Liabilities	(4,304)	12,523	5,317	13,536
Net Cash Provided -Used by Operating Activities	<u>\$ (21,872)</u>	<u>\$ (6,754)</u>	<u>\$ 4,237</u>	<u>\$ (24,389)</u>

**CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2015**

<u>FLEET MAINTENANCE FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Charges for Interfund Services	\$ 250,000	\$ 250,000	\$ 250,000	\$ -
Total Revenue	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>	<u>-</u>
EXPENDITURES				
Fleet Maintenance				
Personal Services	195,460	195,460	193,724	1,736
Materials and Services	76,600	81,600	73,843	7,757
Total Fleet Maintenance	<u>272,060</u>	<u>277,060</u>	(1) <u>267,567</u>	<u>9,493</u>
Contingency	12,241	7,241	(1) -	7,241
Total Expenditures	<u>284,301</u>	<u>284,301</u>	<u>267,567</u>	<u>16,734</u>
Net Change in Fund Balance	(34,301)	(34,301)	(17,567)	16,734
Beginning Fund Balance	<u>34,301</u>	<u>34,301</u>	<u>47,081</u>	<u>12,780</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	29,514	<u>\$ 29,514</u>
Reconciling Items:				
Net Capital Assets			66,350	
Inventory			<u>9,444</u>	
Net Position			<u>\$ 105,308</u>	

(1) Appropriation Level

**CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2015**

<u>ADMINISTRATIVE SERVICES FUND</u>				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Indirect Cost Allocation	\$ 1,268,320	\$ 1,268,320	\$ 1,203,690	\$ (64,630)
Miscellaneous	25,140	25,140	26,624	1,484
Total Charges for Interfund Services	<u>1,293,460</u>	<u>1,293,460</u>	<u>1,230,314</u>	<u>(63,146)</u>
EXPENDITURES				
City Administrator				
Personal Services	164,620	164,620	163,436	1,184
Materials and Services	75,460	75,460	30,746	75,460
Capital Outlay	5,000	5,000	-	-
Total City Administrator	<u>245,080</u>	<u>245,080</u>	(1) 194,182	<u>50,898</u>
City Recorder				
Personal Services	222,900	222,900	219,505	3,395
Materials and Services	50,850	50,850	46,727	4,123
Capital Outlay	4,100	4,100	-	4,100
Total City Recorder	<u>277,850</u>	<u>277,850</u>	(1) 266,232	<u>11,618</u>
Finance				
Personal Services	493,690	493,690	495,009	(1,319)
Materials and Services	157,150	164,150	152,610	11,540
Capital Outlay	2,000	2,000	422	1,578
Total Finance	<u>652,840</u>	<u>659,840</u>	(1) 648,041	<u>11,799</u>
City Hall Facilities				
Materials and Services	92,550	98,250	89,969	8,281
Total City Hall Facilities	<u>92,550</u>	<u>98,250</u>	(2) 89,969	<u>8,281</u>
IT/Self-Insurance				
Materials and Services	25,000	25,000	-	25,000
Capital Outlay	69,300	69,300	24,543	44,757
Total IT/Self-Insurance	<u>94,300</u>	<u>94,300</u>	(1) 24,543	<u>69,757</u>
Contingency				
	57,531	44,831	(1) -	44,831
Total Expenditures	<u>1,420,151</u>	<u>1,420,151</u>	<u>1,222,967</u>	<u>197,184</u>
Excess, (Deficit) of Revenues Over, (Under)				
Expenditures	(126,691)	(126,691)	7,347	134,038
OTHER FINANCING SOURCES, (USES)				
Transfers In	31,400	31,400	31,400	-
Transfers Out	(2,063)	(2,063)	(2) -	2,063
Total Other Financing Sources, (Uses)	<u>29,337</u>	<u>29,337</u>	<u>31,400</u>	<u>2,063</u>
Net Change in Fund Balance	(97,354)	(97,354)	38,747	136,101
Beginning Fund Balance	97,354	97,354	95,204	(2,150)
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 133,951</u>	<u>\$ 133,951</u>

(1) Appropriation Level

(2) Combined appropriation of \$96,363

**CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2015**

<u>PUBLIC WORKS FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Indirect Cost Allocation	\$ 270,300	\$ 270,300	\$ 234,272	\$ (36,028)
Charges for Services	<u>2,000</u>	<u>2,000</u>	<u>7,805</u>	<u>5,805</u>
Total Revenues	<u>272,300</u>	<u>272,300</u>	<u>242,077</u>	<u>(30,223)</u>
EXPENDITURES				
Engineering				
Personal Services	26,240	26,240	26,450	(210)
Materials and Services	24,170	24,170	17,997	6,173
Capital Outlay	<u>6,500</u>	<u>6,500</u>	<u>4,681</u>	<u>1,819</u>
Total Engineering	<u>56,910</u>	<u>56,910</u>	(1) <u>49,128</u>	<u>7,782</u>
Operations				
Personal Services	-	-	1,047	(1,047)
Materials and Services	<u>215,390</u>	<u>215,390</u>	<u>193,427</u>	<u>21,963</u>
Total Operations	<u>215,390</u>	<u>215,390</u>	(1) <u>194,474</u>	<u>20,916</u>
Contingency	<u>40,000</u>	<u>40,000</u>	(1) -	<u>40,000</u>
Total Expenditures	<u>312,300</u>	<u>312,300</u>	<u>243,602</u>	<u>68,698</u>
Excess, (Deficit) of Revenues Over, (Under) Expenditures	(40,000)	(40,000)	(1,525)	38,475
OTHER FINANCING SOURCES, (USES)				
Transfers In	<u>40,000</u>	<u>40,000</u>	-	<u>(40,000)</u>
Total Other Financing Sources, (Uses)	<u>40,000</u>	<u>40,000</u>	-	<u>(40,000)</u>
Net Change in Fund Balance	-	-	(1,525)	(1,525)
Beginning Fund Balance	<u>-</u>	<u>-</u>	<u>1,525</u>	<u>1,525</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(1) Appropriation Level

**CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON**

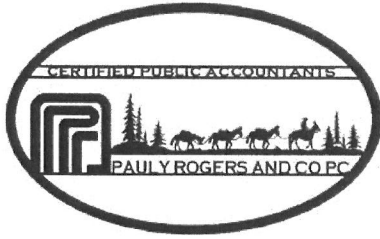
**SCHEDULE OF PROPERTY TAX TRANSACTIONS AND BALANCES
OF TAXES UNCOLLECTED - GENERAL FUND
For the Year Ended June 30, 2015**

TAX YEAR	IMPOSED LEVY OR UNCOL- LECTED AT 7-1-14	DEDUCT DISCOUNTS	ADJUST- MENTS TO ROLLS	INTEREST	CASH COLLEC- TIONS BY COUNTY TREAS- URER	BALANCE UNCOL- LECTED OR UNSEG- REGATED AT 6-30-15
CURRENT:						
2014-2015	\$ 1,613,858	\$ 42,146	\$ (7,539)	\$ 714	\$ 1,510,266	\$ 54,621
PRIOR YEARS:						
2013-2014	58,994	3	(605)	1,706	32,053	28,039
2012-2013	35,220	-	(242)	2,361	18,395	18,944
2011-2012	20,255	-	(292)	3,728	19,742	3,949
2010-2011	10,158	-	(247)	2,074	9,193	2,792
Prior	7,939	-	(579)	1,007	3,081	5,286
Total Prior	132,566	3	(1,965)	10,876	82,464	59,010
Total	<u>\$ 1,746,424</u>	<u>\$ 42,149</u>	<u>\$ (9,504)</u>	<u>\$ 11,590</u>	<u>\$ 1,592,730</u>	<u>\$ 113,631</u>

**CITY OF ST. HELENS
COLUMBIA COUNTY, OREGON**

**INDEPENDENT AUDITORS' REPORT REQUIRED BY
OREGON STATE REGULATIONS**

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January 21, 2016

Independent Auditors' Report Required by Oregon State Regulations

We have audited the basic financial statements of the City of St. Helens as of and for the year ended June 30, 2015, and have issued our report thereon dated January 21, 2016. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Compliance

As part of obtaining reasonable assurance about whether the City of St. Helens' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

We performed procedures to the extent we considered necessary to address the required comments and disclosures which included, but were not limited to the following:

- **Deposit of public funds with financial institutions (ORS Chapter 295)**
- **Indebtedness limitations, restrictions and repayment.**
- **Budgets legally required (ORS Chapter 294).**
- **Insurance and fidelity bonds in force or required by law.**
- **Highway revenues used for public highways, roads, and streets.**
- **Authorized investment of surplus funds (ORS Chapter 294).**
- **Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).**

In connection with our testing nothing came to our attention that caused us to believe the City of St. Helens was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations.

OAR 162-10-0230 Internal Control

In planning and performing our audit, we considered the internal controls over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the internal controls over financial reporting.

Independent Auditors' Report Required by Oregon State Regulations

This report is intended solely for the information and use of the council members and management and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these parties.



Kenneth Allen, CPA
Municipal Auditor
PAULY, ROGERS AND CO., P.C.